New Deal to End Radio Muddle Page 8

*LARGEST CIRCULATION
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FINANCIAL PAPER*

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

*CANADIAN MINING NEWS
DEPARTMENT ON
PAGES 15-16*

Vol. XXVII | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, SEPTEMBER 9, 1933 | 10c a Copy; $5.00 a Year | No. 36

The Nation's Business

New Views on Nationalism
Canada's Wheat Transactions
Banking Enquiry Open to All
Municipal Finance
The "Bay" Grain Route

Recovery Begins at Home

THE nations are learning that recovery, like charity, begins at home, Hon. Vincent Massey remarked this week. Mr. Massey said that the World Economic Conference had conferred a benefit upon the world by destroying the unreal, sentimental type of internationalism which had merely created illusions. It had exploded the prevalent myth that some international miracle might solve our difficulties.

Mr. Massey said:

> "The new nationalism is not self-determination gone mad. Its motive, in most cases, is a desire to clean house. Real internationalism must ultimately prevail. The world is a unit, and must behave as one. But real internationalism must be based on solid national pillars."

Other discerning persons among the great internationally minded leaders of thought on this continent have recently said much the same thing. Walter Lippmann and Raymond Moley have decided that there is a difference between the impractical international co-operation, to which statesmen pay lip service and which was so much in the air before the World Economic Conference, and the type of international co-operation that is more realistic and that recognizes that the major problems of most nations can only be solved by their individual efforts.

This will have a familiar sound to readers of this column for it is the doctrine that has been expounded here for many months both before and after the World Conference. There are many fences to be mended in Canada, of which over-expenditure of the taxpayers' money is the very first. The best co-operation we can offer the world is the picture of a house in order.

* * *

Should Regularize Wheat Transactions

IF IT were important before for the government of Canada to regularize its operations in the wheat market by taking them under its direct control instead of continuing the pretence that it is not the government but the wheat pool that is conducting these operations, it is doubly important now. The signing of the London wheat agreement, which puts limits upon the possible exports of Canadian wheat for two successive years has introduced new factors into the situation, factors which may seriously limit the ability of the government to liquidate its position at as early a date as formerly seemed desirable. The opportunity to get out was neglected while it was present, and it is difficult to say now when it is likely to occur again. It would seem that the government can hardly avoid remaining an extensive holder of wheat until July 31, 1935, the end of the period so far agreed upon for limitations upon Canada's export of wheat.

* * *

WHOSE wheat is going to be exported, that included in the carryover and largely controlled by the government, or the new wheat now being threshed and delivered to elevators by western farmers? At the close of the last crop year, leaving out of account wheat on farms, there were about 200,000,000 bushels of wheat in Canadian elevators, or on the way thereto. More than half of that, perhaps three quarters, had been sold to the government for future delivery.

To enable business to go on, the government must sell a good part of its wheat contracts. Although it may lighten its load to some considerable extent by shifting some of the burden to the general market, probably it will have to buy a good deal of wheat for delivery in later months, unless the ability of the farmer to sell his wheat as it is delivered is to be lost.

Some of the present weakness of the market is due to reaction from the extravagant prices to which wheat was lately pushed. Government policy, in refusing to sell sufficiently when the market was eager for its wheat, was largely responsible both for the high prices, which meant interruption of export trade, and for the subsequent reaction. Now that export quotas have been established it may be some time before the market is again in a position to take large quantities off the government's shoulders, for there will at least be

(Continued on page 2, col. 2)

MOST WALKER SHAREHOLDERS NOW IN U. S.

Not Exactly Foreigners, Says President in New York Statement

SPEND $3,500,000

Prophesies Bootleg Competition Will Disappear After Repeal—Rectification and Blending Intended

W. J. Hume, president Hiram Walker-Gooderham & Worts, informed a representative of the New York Herald-Tribune the other day that more than half the company's stockholders live in the United States. At the time Mr. Hume was in New York City with W. E. Hull, former representative from the Peoria district and general manager of Walker's new subsidiary, Hiram Walker & Sons, Inc., already chartered in Michigan and about to build the world's largest distillery at Peoria, Ill. Messrs. Hume, Hull and other business men had met to study drawings for the new distillery.

Hiram Walker & Sons have ordered part of the equipment for the new plant and building will begin some time in September without waiting for repeal. Apparently there is growing confidence that repeal will come much earlier than expected. At first there was a disposition to think that repeal could not be made effective before 1935 but now there are even people who say there will be a "wet" United States by Christmas, or at the latest, in the spring of 1934.

Bootleggers have been slightly over-confident that they would not be interfered with and have been rushing supplies into the United States. The United States, except for beer and wine, is yet a "dry" nation, however—and not only theoretically. There is now showing in Toronto a news film giving details of a raid made on a $75,000 consignment which a rum-runner was trying to unload at a New York City dock. As sack after sack of the cargo was brought up on deck the "dry" enforcement officers ostentatiously displayed to the photographer the lettering, "Canada Club," on the parcels. Rum runners who bought this cargo are evidently in for quite a loss.

Walkers Came From Detroit

The new subsidiary of Walker's will not be presented to the United States citizens as a foreign concern.

"Please emphasize that we're not exactly foreigners," Mr. Hume said in his talk with the New York Herald-Tribune. "More than half our stockholders live in the United States. The Walker family came from Detroit. Old Hiram came from somewhere around there, I believe."

"That reminds me," remarked Mr. Hull, "of the time I was campaigning in Michigan for Governor Frank Lowden, of Illinois, who wanted to be president. Senator Hiram Johnston, of California, came into the state to run against Lowden in the primary and distributed buttons among the voters. The buttons had the name 'Hiram' on them and nothing else, and lots of people went and voted for Hiram, thinking Hiram Walker was running."

Make 2,000 Barrels Daily

Details of the new plant have been given by The Financial Post in two articles. They are summarized by the general manager of the new company as follows:

"The world's biggest distillery," Mr. Hull said, as he looked over the blueprints, "will occupy twenty acres on the bank of the Illinois River, will run 20,000 bushels of grain a day and will make 2,000 barrels of 100-proof whiskey. The elevators will have a capacity of 285,000 bushels. There will be twenty-four fermenters, holding 120,000 gallons each. The shipping room will handle twenty carloads a day."

Present Stores are Old

Canadian company will supply matured whiskies until the product of the new plant is sufficiently aged. The methods are thus described by Mr. Hume:

"We now have 14,500,000 imperial gallons of liquor in Canada, virtually all of it over four years old. Much of this will pass through our Peoria plant. We hope to be able to sell it at a reasonable price, depending upon the tax and the tariff.

"There's a shortage of good old stuff but with rectification and blending there may be enough to go around."

Say Ford Backing B. C. Nickel Mines

From Our B.C. Mining Correspondent

VANCOUVER, B.C. — Rumors are current here that the B. C. Nickel Mines, located about 20 miles from Hope, in the Fraser Valley, is in reality being backed by Edsel Ford and E. L. Cord Jr. The interests controlling the proposition, whoever they are, are at present building a four-mile road in to the mine.

It is understood that what operators are actually after at the present time is chromium rather than the nickel content of the ore.

GOV'T SEEKS $225,000,000 THIS AUTUMN

Conversion Loan May Involve Less Money Than Expected

RATE 4½% OR LESS

Will Clear Up All Financing Due This Year — Loan to be Floated Only in Canada

From Our Own Correspondent

OTTAWA. — With the near approach of the date when the Dominion Government will launch the conversion loan, the Government's plans are rapidly rounding into form.

Contrary to earlier predictions, the Federal loan will be for a relatively small amount. The total sought will not exceed $225,000,000, and may be only slightly in excess of $200,000,000. Of this, $170,000,000 will be a straight conversion operation, necessary in order to retire the Victory Loan due on November 1. The Dominion, therefore, will ask for approximately $50,000,000 of new money.

If the loan is successful, and officials of the Finance Department are highly optimistic, the Dominion will not have occasion to go into the money market until some time in 1934.

Maximum Rate 4½%

Such factors as the interest rate are being carefully considered and it is probable that the money will be sought on a basis of not more than 4.5 per cent interest. If conditions are particularly promising, the government may even seek to pare the return below this figure.

With the successful flotation of this loan, the government will have cleared up all outstanding matters of finance for the year. Two other issues which mature this year—treasury bills at New York, on Sept. 1, and bills held by the Canadian banks on August 1—have been arranged for. They have been renewed.

The remaining obligations consist of the budgetary items—the ordinary deficit, unemployment relief and the railway deficit—which totalled $155,000,000. Earlier in the fiscal year the government picked up $35,000,000 from the banks on a new issue of treasury bills. Then there was the $73,000,000 loan in London. And now an additional $50,000,000 of new money will solve the immediate financial problems of the government.

Seek Money Here

The present intention is to float the loan in Canada. Rumors to the effect that a second issue might be made at London are heavily discounted. It is explained that the British government exercises control over new flotations and, in effect, the various borrowers have been rationed. Canada was allotted $73,000,000, which has been obtained, and another British loan is out of the question until the other Dominions have had their turn.

But while unable to return at once to the London market, the government is very pleased to note that the last loan has proved popular. Not only was it oversubscribed within a few minutes of the opening of the books, but it now stands at a substantial premium over the sale price.

Ottawa Sees Britain Busy on Price-Raising

From Our Own Correspondent

OTTAWA.—Believing that as a result of the Imperial currency and monetary declaration, the British Government will proceed with a vigorous policy of price raising and that by co-operation between London and Ottawa the pound and the dollar will be tied, at least loosely, together, the Federal Government is distinctly optimistic concerning the future.

That Ottawa will do whatever it can to bring about or stimulate an upward movement in prices goes without saying. The impression prevails, however, that the Government feels hampered because there is no central bank through which operations could be carried on. This "deficiency" will probably be made good next session.

As far as the British Government is concerned, it is firmly believed here that the MacDonald-Chamberlain ministry is carrying on, and will continue to carry on, open market operations designed to lift prices. In addition a large programme of public works, originated chiefly by local authorities, is now under way.

It is learned, also, that the Bennett Government still desires currency stabilization. So does the British Government. Delay must continue until the United States is prepared to join in. Meantime, the British and Canadian Governments will do their best to keep the pound and the dollar in line. It is explained, however, that there is no formal tie-up between the two currencies.

CAN. VICKERS MOVES TO HOLD LIQUID STATUS

Pay Canadian Bondholders in Canadian Funds Only

SALES ARE ONLY FAIR

Balance of Year May Bring About Improvement in Sales and Earning Power

From Our Own Correspondent

MONTREAL.—Confronted with the need of conserving its liquid position owing to the limited amount of business offering, Canadian Vickers Ltd. has adopted the policy of paying interest to its Canadian bondholders in Canadian funds and to its American bondholders in United States funds.

During the year ended February 28, 1933, the company paid $24,830 as a premium on United States funds purchased to meet bond interest, which, under the trust deed, calls for payment in either Canadian, American or English funds at the option of the holder. By confining the payment in American funds to bona fide residents of the United States, the company expects to make a saving of several thousands of dollars.

The action taken by Canadian Vickers is understood to be under contemplation by other Canadian companies having to pay bond interest in American funds. Gypsum, Lime and Alabastine (Canada) Ltd. is paying its bond interest in Canadian funds, but will pay in American funds upon demand. Northwestern Power Co. paid the premium in scrip. When the English Pound was selling at a heavy discount, the Canadian National Railways decided to pay interest on certain of its securities in English funds only. Hitherto it had been paying holders in Canada in Canadian funds, and holders in England in English funds.

Watch With Interest

The action of Canadian Vickers in treating its American and Canadian bondholders in different ways is being watched with interest. In the first place failure of the company to pay interest in United States funds to a bondholder resident in Canada constitutes a technical default under the trust deed. How far one could go in enforcing the terms of the mortgage is a matter of speculation.

From the company's standpoint, it is probably in the common interest to conserve cash resources by meeting interest charges in Canadian funds. It is pointed out that with the premium on United States funds at 5 per cent or slightly better there is a 5 per cent tax to be paid to the Dominion Government, so that the net return to the Canadian bondholder if paid in Canadian funds is just as much as if payment had been made in American funds.

Would Lose Premium

This holds true where the premium on Canadian funds is 5 per cent or slightly better, but is not the case when the premium is under that figure or above it. In the latter case the Dominion Government does not collect the tax on interest or dividend payments in American funds to Canadian investors. Thus the holder of a $1,000 Vickers bond, would receive $60 in interest. With the premium on United States below 5 per cent, payment in United States funds and conversion back to Canadian funds, would net the holder in Canada better than $60.

In the event of the premium on United States ruling above 5 per cent the Dominion Government will be concerned in any policy of paying Canadian bondholders in Canadian funds and American bondholders in Amercian funds even though it is for the purpose of con-

(Continued on page 2, col. 7)

Business Indices In Mixed Trend Lose Gains

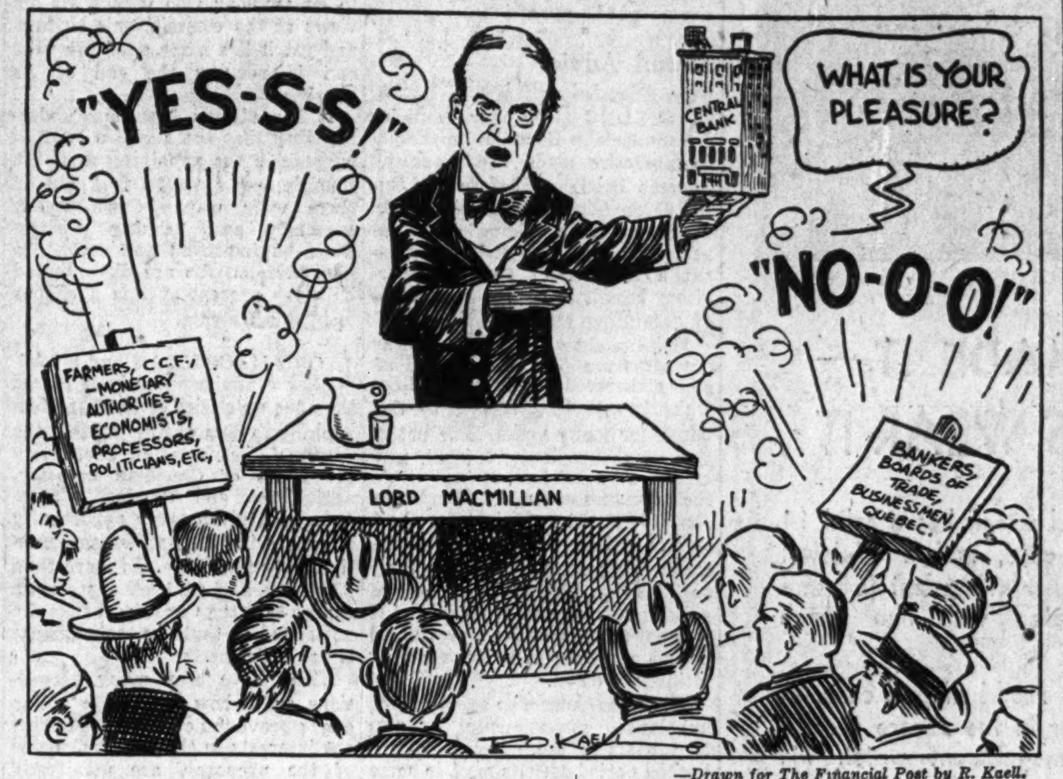
Mixed changes occurred in business indicators released in the week ended Aug. 31, and lost some recent gains. Carloadings receded slightly from the high level of the year established in the week to Aug. 19, but were still higher than in 1932. Cattle and hog sales both had good increases in the week, but remained below last year's levels for the same period.

Heavier industries showed improvement over last year, but in most figures showed a declining trend compared with the previous week. Coal production and automobile production declined during the week, but were better than a year ago. Coke production was higher than in the previous week and greater than in 1932.

Monthly	Aug. '33	Change From Prev. Period %	From Prev. Year %
Constr. contracts	$9,479,900	—25.1	—26.0
	July '33		
Coal output ..tons	675,631	— 2.2	+ 3.6
Coke prod. ...tons	144,812	+ 6.6	+14.0
Auto. financing	$2,128,333	—11.3	—14.0
Auto sales ...No.	5,140	—20.9	+27.9
Weekly*			
Carloadings	41,887	— 3.1	+ 2.5
Cattle sales	15,023	+13.8	— 0.3
Hog sales	13,644	+ 7.8	—10.4

*Weeks ended Aug. 26, 31 and 31 respectively.

The {Ayes / Nays} Have It


"YES-S-S!"
FARMERS, C.C.F., —MONETARY AUTHORITIES, ECONOMISTS, PROFESSORS, POLITICIANS, ETC.
CENTRAL BANK
WHAT IS YOUR PLEASURE?
"NO-O-O!"
BANKERS, BOARDS OF TRADE, BUSINESSMEN, QUEBEC.
LORD MACMILLAN
R.D. KAELL

—Drawn for The Financial Post by R. Kaell.

WILL THE CHAIRMAN HAVE TO CAST THE DECIDING VOTE?

WHEAT ROUTE VIA CHURCHILL IN LITTLE USE

Bay Route Advocates See Conspiracy to Discredit Churchill

From Our Own Correspondent

WINNIPEG.—Lack of movement of wheat to Churchill this year is the cause of a great deal of concern to advocates of the Hudson Bay route.

Last fall, under the stimulus of the offer of free storage for the winter, some 2,500,000 bushels were stored in the Churchill elevator for the account of exporting firms, and this wheat was promptly moved out as soon as the opening of navigation permitted the arrival of half a dozen steamships. But once the elevator was cleaned out, the wheat trade at Churchill was brought to an end for the season, in spite of the fact that movement of several million bushels more would have been physically possible. In effect, whatever may be the case under different conditions, Churchill cannot effectively compete with the St. Lawrence route when lake freights to Montreal and ocean freights therefrom are as low as they are at present.

See Conspiracy

Some enthusiastic advocates of the Hudson Bay route have gone so far as to see in the low rates on the St. Lawrence route a conspiracy of Eastern interests. General R. W. Patterson, president of the On-to-the-Bay Association, declared in a published statement:

"The feeling is that concerted action has been taken to try to keep grain from Churchill while the navigation season is open. It is admitted that the low freight rates via Fort William and Montreal are not normal, and that the carriage of grain at these rates cannot be done at a profit. If these interests can keep grain from going to Churchill while the season is open, they will get their rates again while the port is closed."

He went on to declare that if grain firms would not export grain through Churchill, then an agitation would be started to get farmers to route their grain to Churchill, and declared that the association had 50,000 members who would help make such a campaign effective.

Shippers to Churchill

There is, of course, nothing to prevent the individual farmer from consigning his grain to Churchill, but without any assurance that there will be a buyer when it gets there, or when he wants to sell, he is very unlikely to do so. The shipments of grain so far made were arranged by two or three large exporting firms, who bought grain last fall from country elevator companies, and kept it in store during the winter. Their ocean freight costs have not been disclosed, as the ships in which grain was transported were under complete cargo charters.

There is a fairly large area in Saskatchewan from which rail

(Continued on page 2, col. 6)

Upward Move Noted in Use of Tobacco

From Our Own Correspondent

MONTREAL.—Figures on tobacco consumption in Canada during July last are the most favorable published by the Bureau of Statistics in some time.

Cut tobacco consumption in July, 1933, at 1,599,257 lbs. was the largest reported for any month this year and was the third largest total of any month in the last three years.

Cigarettes also reflect the improved situation, consumption in July amounting to 449,784,830. This is the largest monthly total reported since July, 1931, and is more than 100,000,000 greater than the average monthly total for the past two years.

Favor Canadian Brands

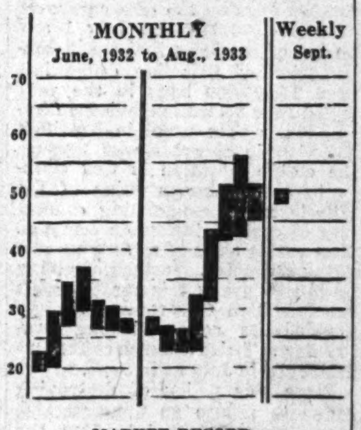
Overweight cigarettes continue to be looked upon as a luxury product and consumption lags; in fact, there would appear to be a decided tendency for the Canadian smoker to drop that type of smoke in favor of the standard domestic brand.

One of the interesting features of the July returns is the marked improvement in the consumption of cigars. After lagging behind other types of smokes for many months, cigars are again coming into their own, July consumption being greater than a year ago, while above the average prevailing in the past six months.

Plug tobacco was in vogue during 1931 and 1932, but consumption this year has been on a lower scale.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Sept. 5	50.1	48.2
Week of Aug. 29	50.7	48.1
Month of September, 1932 ...	37.9	30.3
10 Public Utilities		
Week of Sept. 5	54	53
Week of Aug. 29	54	53
Month of September, 1932 ...	55	48
8 Bank Stocks		
Week of Sept. 5	186	183
Week of Aug. 29	185	181
Month of September, 1932 ...	182	177

C. W. Lindsay Liquid Status Undergoes Improvement

From Our Own Correspondent

MONTREAL.—Rising stock market values since last spring have not been reflected in increased sales for C. W. Lindsay & Co. distributors of musical instruments and electrical appliances in Montreal, Quebec, Ottawa and Kingston. In other years it has been noted that when the stock market increased activity sales of C. W. Lindsay were affected favorably, but such was not the case this year.

While there is no official information on the volume of current sales, it is understood that the turnover has not shown any improvement as compared with a year ago. On the other hand the liquid position of the company has been strengthened. The cash position is on a stronger basis, and the company's holdings of Dominion and other high grade bonds increased. This reflects an improvement in collections.

At the end of February last, the close of the company's fiscal year, the balance sheet showed a net working capital of $1,528,053 of which $1,074,424 represented trade accounts receivable plus accrued interest. The amount shown against trade accounts receivable is after making provision for bad debts. Cash and call loans at that time amounted to nearly $230,000. while investments (nearly all Dominion bonds) amounted to $154,361.

Highlights of the week

Events and Topics That Make News for Post Readers

New Deal in Radio

Nation-wide discontent with national radio commission presages radical revison of radio control in Canada. Page 8.

Municipal Finance

If tax collections lag, it is the warning signal of financial trouble ahead, says Thomas Bradshaw in notable discussion on first principles in municipal finance. Page 5.

Export Opportunities

J. K. Ross-Duggan, after a fact-finding survey of British and Continental markets, gives some pointers for Canadian exporters. Page 9.

World Survey

A picture of dominant economic and financial trends in the leading countries in "The World at Large" department. Page 6.

Plan for Canada

W. H. Moore, M.P., has a plan to end plans. Some vigorous sayings from his new book in a thorough review of his new book. Page 3.

Protecting Investors

The responsibility of directors under Canadian, English and the new American laws. Page 3.

Savings Certificates

A comprehensive analysis of a new form of investment, now being pushed vigorously in Canada. Page 11.

When to Retire

The final group of letters from leading business men of the age when executives should quit work. Page 9.

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DATA INDICATE LARGE DEFICIT FOR DOMINION

Situation Worse Than Last Year, July Revenue Shows

NEW TAXES FAIL

Economy Efforts Show Cut in Expenses $6,000,000 But Revenues Declined $11,000,000

From Our Own Correspondent

OTTAWA.—Despite the efforts of the government, economies in expenditure during the first four months of the fiscal year, ended July 31, have been insignificant and with revenues greatly reduced, another large deficit looms on the horizon.

With one-third of the fiscal year gone, total expenditures are down only $6,000,000 in comparison with the corresponding period of 1932, while revenues have fallen some $11,000,000. Last year Hon. E. N. Rhodes reported a deficit of $53,000,000 on ordinary account (the combined deficit was $156,000,000) so that on this basis the current year is distinctly less favorable than last.

The records of the four month period throw the federal financial set up into an interesting light. Last March, Mr. Rhodes imposed new taxation which he calculated would yield $70,000,000. Subsequent amendments, plus a wide anticipation of the sugar tax, reduced this estimate to about $60,000,000. Despite the higher taxation, however, current revenues are down by $11,000,000. To have kept pace with the Rhodes estimate a gain of some $20,000,000 should have been recorded. The real loss, as applied to the budget figures, therefore is $31,000,000.

Going over the list, the income tax, which was stiffened by an increase in the rate of the tax as well as by a reduction in the exemptions, has yielded only $41,000,000 against $47,000,000 last year.

The excise taxes, which include the sugar tax, the sales tax and the nuisance taxes have held level at $25,000,000. This is a remarkable fact. In the last budget the sugar tax alone was figured at $20,000,000 per year or better than $6,000,000 for a four month period. The exemptions under the sales tax were cut to the bone and large increases in revenue were confidently expected. The stamp tax was raised and further nuisance taxes imposed. Yet all the increases have only sufficed to offset the general reduction of revenue.

The excise duty is shown $2,000,000; the post office revenues are short $1,000,000 while miscellaneous revenues are about even.

But the real source of taxation losses is found in the customs receipts. For three years, high tariffs have been reflected in rapidly dwindling revenue from imports. In these four months the loss was from $26,000,000 to $19,000,000. A sharp gain in revenue from premiums, discounts and exchange, totalling $5,000,000, proved insufficient to fill the gap left by dwindling customs receipts.

The significance of the change in the value of customs receipts is not actually appreciated in the country. The great argument, in former days, against any serious reductions in tariff was that the customs receipts were the backbone of federal revenues. But under the present tariff they have ceased to be so. Today the tariff is not the chief source of national income. It brings in only a fraction of the total. Its place has been taken by the excise taxes which are now the largest money yielders. Indeed the excise taxes and duties, combined, yield almost twice as much as the customs.

The government's current expenditures are practically unchanged from 1932. The very strenuous efforts of the cabinet to enforce economies, have yielded little benefit to the treasury. Last session the ten per cent cut was carried for-

(Continued on page 2, col. 5)

Just Think of It!

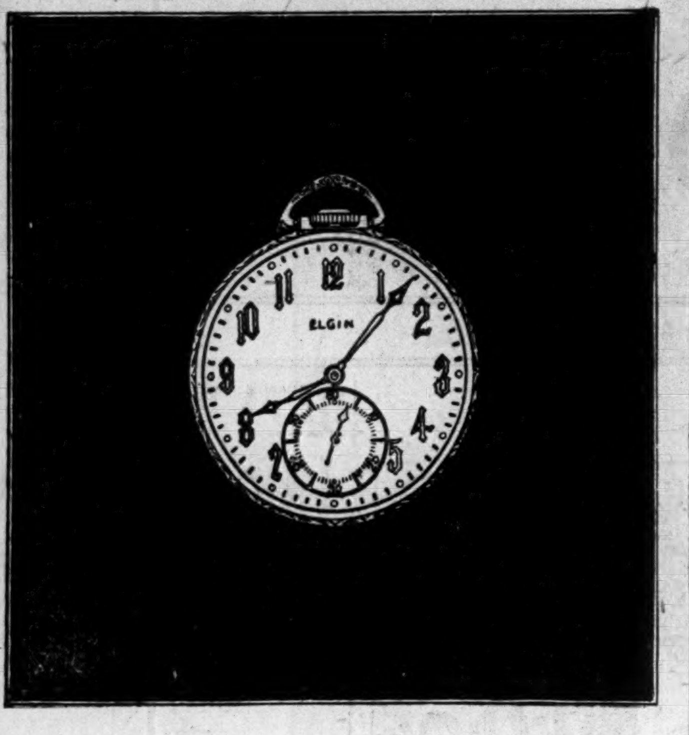
At an Ontario Government luncheon given by the Prime Minister on one occasion, the butter was so delicious that guests enquired from the caterer where he got it. It turned out to be New Zealand butter. He explained that it was always difficult to get good Canadian butter.

Nova Scotia is noted for its apples, but recently when a group of leading citizens gave a delightful luncheon at Halifax for important visitors, the table was decorated with Oregon, U.S.A., not Nova Scotian apples.

Canada has ten Ministers of Agriculture and numerous agricultural colleges and schools.

It was a Canadian graduate who taught New Zealand how to make and market butter.

The U. S. National Fertilizer Association interviewed 48,000 farmers in 35 States who told them that the chief source of helpful practical information came not from Government bulletins and publications but from farm, business and technical newspapers and magazines. In Canada editors of these papers complained that the then Deputy Minister of Agriculture refused to cooperate with them—on one occasion refused even to see a committee of editors.



CRAFTSMEN MADE IT—
CONNOISSEURS WEAR IT

This beautiful watch has a solid 14 Karat gold case, and a 17-Jewel G. M. Wheeler movement (a name long associated with fine watch movements).

Either in the round shaped case, as illustrated, or in the square shaped case, this magnificent watch will command the greatest admiration as a watch "Par Excellence."

$100.00

Other models by Elgin from $45.00 to $750.00

Main Floor—Yonge & Albert Streets.

THE T. EATON CO LIMITED

Wellington Building Committee is Formed

A protective committee has been formed to represent the interests of holders of the 6½ per cent first mortgage serial bonds of Wellington Building Corp. outstanding to the amount of $450,000. The committee consists of A. George McHugh, chairman; H. S. Black, secretary; Dr. W. F. Mayburry, A. G. H. Low and A. D. McRae, and was formed as a result of a bondholders meeting held in Ottawa on July 26.

The committee intends to co-operate with the receiver and manager for the property and in the event that the property is put up for sale will endeavor to buy it in for the bondholders. Default under the bond mortgage amounts to $153,063 while expenditures, exclusive of interest payments, have been approximately $165,000 to June 30, 1933. A plan for reorganization of the company has been approved by certain bondholders and bondholders are asked to deposit their bonds with the London & Western Trusts Co.

F. H. Deacon & Co. Move Admit Two New Partners

F. H. Deacon & Co., members of the Toronto Stock Exchange, one of the oldest firms in Toronto, announce that they will move to their new offices on the first and second floors of the Chester building, 197 Bay St., on September 15.

This event will also be marked by the admission to partnership of Messrs. George L. Jennison and F. Coulter Deacon, who have been several years associated with this firm. The other partners are Colonel F. H. Deacon, senior partner, E. C. Reade and T. G. Drew Brook.

New Nova Scotia Cabinet Starts Old Age Pensions

Nova Scotia Old Age Pensions Act, passed in 1931, was proclaimed recently by order-in-council of the newly elected ministry of Liberal Premier Angus L. Macdonald. The act had been passed by the recently defeated Harrington government, but had never come into force.

The new government started to effect some economy measures, which were pledged in pre-election speeches, by abolishing the deputy ministerships in the provincial agriculture and health departments. The liquor commission was reduced from two to one member. A cabinet committee of three was appointed to ascertain further means of economy.

Wheat Stocks were reported as 191,781,126 bus. at Aug. 25, compared with 191,534,647 bus. a week previous and 113,036,047 bus. for the corresponding week in 1932.

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The Nation's Business

(Continued from Page One)

some period of uncertainty to be first got over. But with short crops in prospect in Australia and the Argentine, on top of the crop failures of the North American continent, improvement in that respect is by no means impossible.

But in the meantime the government should lose no time in disentangling its operations from those of the wheat pool, in getting them in such shape that it will understand exactly how it stands, and in establishing the proper relationship between itself and those in charge of the operations.

* * *

Sound Advice For Municipalities

A STRONG plea for sounder methods in Canadian municipal finance was made last week by Thomas Bradshaw before the Ontario Municipal Association. Mr. Bradshaw is an acknowledged expert on this subject, and is at present a member of several supervisory boards in charge of finances of defaulting municipalities.

Mr. Bradshaw took as his text an extract from The Financial Post and elaborated on it along lines which have been advocated by this paper for many years. The necessity of governments, federal, provincial or municipal, living within their incomes was made abundantly clear. It is not sufficient for them to live within their estimated income. They must live within their cash income. This is the keynote of sound governmental finance, and if it is not recognized for a protracted period, a sad day of reckoning must ultimately dawn.

There are those who openly favor unbalanced governmental budgets at times like the present. For a limited period deficits may, in some circumstances, be incurred without calamitous results. But those who have had a practical insight into government and municipal finance know that continual deficits ultimately mean default, painful elimination of services, compulsory economy and loss of some measure of political autonomy.

Both debtor municipalities and creditor bondholders can benefit from Mr. Bradshaw's comments, which are to be published in this and succeeding issues of The Post. Politicians and government officials can get practical guidance. Bondholders can learn better how to appraise government and municipal securities, and stand to benefit from any heed which is given to reform by debtors. As an expert's analysis, Mr. Bradshaw's paper reads like an A. B. C. for governmental solvency.

* * *

Lord Macmillan And the Cranks

IT IS remarked by the Toronto Globe that if the Macmillan Commission undertakes to hear all the weird views on monetary subjects that amateurs are prepared to advance its work will not be completed for some time. But the commission did undertake to do that; to let anybody who wished air his views at the commission's sittings and yet it has made good progress and is nearing the end of its hearings.

It has always been our understanding that there was a twofold purpose in the appointment of the commission; first to find out if there were ways in which our monetary and banking practice could be improved and second to give persons who are discontented with the present system a chance to blow off steam.

* * *

LORD MACMILLAN and his fellow commissioners have placed the onus on critics of the Canadian banking system of proving that the system is not meeting adequately the needs of Canadian industry, agriculture and finance. Critics have been given every opportunity of expressing their views, constructive and destructive. In more than 2,500 pages of evidence there is no charge that the Canadian banks are not sound or that the management is not efficient.

There have been many suggestions as to how legislative action can improve the condition of different interests in the country. Some of the proposals are manifestly unsound and could justly be termed quack remedies; others have sufficient merit to warrant a division of opinion as to their probable effect. The Royal Commission can be trusted to separate the wheat from the chaff and it is likely that any changes that are proposed in existing legislation or any new legislation will ultimately, if not immediately, have the full support of Canadian bankers.

* * *

DISTINCTION should be made between modifications in the country's monetary policy or practice and modifications in the commercial banking system. The commission has had plenty of suggestions about the first; few regarding the second.

In the last analysis, it is sound management that has given our commercial banking its enviable position of stability, although laws and regulations have undoubtedly played an important part. Without stability a banking system cannot serve its customers to the fullest extent and its service may even be curtailed entirely. Upon the management of the bank falls the duty of determining the safe limits of extending credit to importuning individual borrowers, worthy and unworthy, and no legislation or mechanical robot has yet been devised that can replace banking brains in this function. Sound management must continue to be the basis of the effectiveness of any banking system irrespective of any change in monetary legislation.

* * *

Strange Argument for Churchill

ENTHUSIASM for the Port of Churchill is carrying supporters of the Hudson Bay route far indeed when the Premier of Manitoba can be quoted as wondering whether the low freight rates now in effect on the Great Lakes are fair or not. In reply to some representations as to the lack of business for Churchill he is understood to have said:

> "Of course everyone recognizes that the Hudson Bay route must meet the competition of other routes if it is to be used. Whether that competition is fair, and whether the various charges now imposed at Churchill can be still further reduced, are questions to which the public might well give further thought."

Surely no one in Western Canada is prepared to argue that the cost of shipping grain down the Great Lakes should be increased in order to give the country the satisfaction of seeing grain go out of Churchill instead of from Montreal. It would be a strange thing to see an agitation for a law forbidding a rate on grain of less than, say, six cents a bushel on the Great Lakes, in order to give the Churchill route a chance.

Controversy as to whether or not the Hudson Bay Railway can be useful in good times may as well be postponed until we are again in a period of prosperous export trade. For the present advocates of the Hudson Bay Railway might do better to acquiesce in the temporary closing of the line. To keep it open at the present is simply to demonstrate that under present conditions there is nothing for it to do, and to conduct that demonstration at very large expense.

Investment Notes

Gasoline Prices

THE oil industry, all agog on September 2 for the fixing of basic price of United States motor gasoline, which would have automatically set the price of crude oil per barrel at 18 times the gallon price of gasoline, found that no action was taken or at least announced. At the last minute there was a delay because of a proposal to drop this plan of fixing gasoline prices to consider the advisability of establishing instead a basic crude oil price with refined products priced in direct ratio. That plan, if made effective, would have an even more immediate effect on Canadian gasoline prices as there would have been a lag of a month in the operation of the other plan in effecting crude oil prices.

Secretary Ickes, with his committee of 15 has almost dictatorial powers in the industry, and what they do will be scarcely less interesting in Canada than in the United States.

* * *

Burning Coffee Aids Brazilian

THE news that the new Brazilian coffee crop amounted to 29,000,000 bags on top of a carryover of 15,000,000 bags on July 1 and on top of the news that world consumption of Brazilian coffee had been 15,000,000 bags in the year ended June 30, made trading optimism lower than usual in Brazilian Traction in recent weeks because the coffee situation is tied closely to the exchange value of the milreis and the resuming eventually of cash dividends on common. Now comes news of a more encouraging character. Instead of giving up in the face of this great surplus the Brazilian Government in July doubled its coffee burning programme. Twice as much coffee was destroyed in July as in June.

Since this policy of destroying coffee to reduce an unmarketable surplus was adopted in 1931 the Government has destroyed 20,510,000 bags of coffee, paying for it by an export tax. The usual monthly destruction has been about 800,000 bags but in July it amounted to 1,634,000 bags. If that rate is maintained the surplus would become manageable at an earlier period than expected, particularly if the next crop should prove much smaller—as is likely, according to experience of coffee growers.

* * *

Ontario's Wine Policy

BREWERS and wine-makers in Ontario have a definite stake in the policy of the Ontario Government with regard to the sale of beer and wine in hotels, taverns and restaurants. Despite decidedly noncommittal answers by Premier Henry the rumor will not down that some loosening of present regulations is possible.

Within the ranks of the Conservative party in Ontario there are varied ideas ranging from those who would declare definitely for such a policy to those who would allow the sale of beer but not wine on the ground that beer is less intoxicating than wine. Others argue that this would not be good politics in view of the large interest which grape growers have in the wine industry and ask why there could not be permits given for such sale with wines of moderate alcoholic content specified. There is a disposition to believe that this argument has so far carried most weight with the Government. If that view prevails hotels would be allowed to sell beers, wines and ciders.

The printers, who recently asked Premier Henry to permit advertising of wines, beers and intoxicating liquors generally, stated that journals coming into Ontario carried such advertising and that the Ontario printers were discriminated against and were being deprived of revenue which would otherwise be theirs. Premier Henry gave them no hope that advertising of liquor in Ontario will be permitted. This way of expanding use of their product will therefore not be open to breweries and wineries.

For one season experiments were conducted by Canadian Wineries, co-operating with the Ontario and Dominion Governments, in testing the availability of Canadian apples for making a cider of an English type which could be retailed cheaply in Canada and which would have good beverage qualities. Success was reported from the standpoint of making a good beverage but nothing was done because it is understood that under present conditions of distribution the company does not believe that such could be sold cheaply enough. If places to drink beer and wines are permitted, it is suggested that possibly that idea might be revived

* * *

Now up to Oil Industry

PRESIDENT ROOSEVELT'S setting of a price for gasoline is made more difficult by recent figures, showing production for the week ended August 26 in excess of the maximum allotment figures established on September 2 for various districts. Daily average production in that week for all Texas exceeded 1,200,000 barrels whereas the order of Secretary Ickes, the oil administrator, sets the allowable maximum at 975,200 barrels daily average. Oklahoma produced 605,500 barrels daily in this week and is permitted 540,000 barrels daily maximum. California produced 501,000 barrels and is allotted 480,000 barrels daily average. For the whole of the United States production in that week was 2,756,,400 daily average and is to be held down to 2,410,000 barrels.

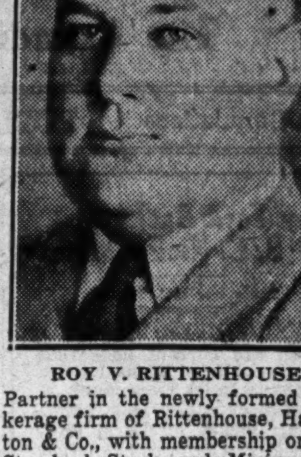
The next report of the American Petroleum Institute should reflect the required reduction unless unexpected difficulties develop.

* * *

U. S. Tourists Important

HOTELS, restaurants, oil companies, merchants, railways, lake steamship companies and many other companies will have improved business in summer months as United States tourist business grows. Some tentative reports indicate improvement in certain districts this year. "Financial Chronicle" (New York City) estimates in an article headed, "We Americans Must Travel," that Americans have spent in Canada $180,000,000 more on the average in the period from 1928 to 1932 inclusive than Canadians spent in travel in the United States. The credit balance was $201,000,000 in 1929 and $148,000,000 in 1932. Total expenditures in Canada in 1932 by United States tourists were placed at $183,000,000, 23 per cent less than in 1931 and 40 per cent less than in 1929. A percentage increase on such large amounts would be of great benefit.

Heads New Firm



ROY V. RITTENHOUSE

Partner in the newly formed brokerage firm of Rittenhouse, Hamilton & Co., with membership on the Standard Stock and Mining Exchange.

DATA INDICATE LARGE DEFICIT FOR DOMINION

(Continued from page 1)

ward into the present year. In addition, the cabinet ordered a second cut of 10 per cent, not in salaries, but in other expenditures, in mid-June. The full effect of the second cut is not revealed in the expenditure figures for the first four months, but in any event it can scarcely amount to enough to offset losses in revenue.

Of 43 headings of current expenditure nine show increases and the balance show decreases. The cost of external affairs, debt charges, subsidies, premiums and discounts, old age pensions, broadcasting commission, mines and soldier settlement are well above last year. The outlay on broadcasting for the four months was $205,523. The other divisions all show a slight scaling down of expenditure.

Under special expenditures it is notable that unemployment relief costs are down nearly $2,500,000. Capital expenditures have been cut by $2,000,000 and loans and advances are down $9,000,000. The saving here is in advance to the provincial governments.

Generally speaking, the fourth month figures are disappointing. Taxation, admittedly, has reached the maximum. Before Mr. Rhodes clapped on increases last March, Premier Bennett stated that the limit of taxation had been reached. Indeed, the higher taxation, while it may have offset losses, has failed completely to add to the national revenues.

The only other way in which the budget may be balanced is by economy, and the government, with all the will in the world, has not been able to whittle very much off the cash outgo of the Dominion.

Any upturn in business, of course, would be reflected at once in revenues. In this regard the figures for July are of interest. The betterment in trade which occurred that month, is revealed clearly in the July returns. The increase was from $24,651,000 in 1932 to $26,387,000 in 1933, an advance of nearly $2,000,000. But a much more rapid stimulation of trade will be necessary if the fast accumulating deficit is to be overcome.

Elected Director

GLENHOLME HUGHES

Who has been elected to the board of directors of Campbell Manufacturing Co., Toronto.

WHEAT ROUTE VIA CHURCHILL IN LITTLE USE

(Continued from page 1)

freight rates to Churchill are practically the same as to Fort William. If ocean rates from Churchill to European ports (including insurance) can be brought as low as the total cost of lake and ocean freights from Fort William to the same ports, some movement of grain is theoretically possible. But most wheat is now exported in small parcels instead of in cargo lots. And with the present restricted size of world wheat trade the difficulties of working any such large quantities all at once, as would be required to sustain wheat trade through Churchill, become considerable.

Physically Possible

The physical possibility of moving wheat through Churchill has been established, but it would seem that a test of the commercial feasibility of the route must await the time when Canada is not restricted, both by world demands and by international agreements, to wheat exports of 200,000,000 bushels annually, or an average weekly export of 3,500,000 bushels, after allowing for flour exports. A trade of such size, after allowing Vancouver a fair share of exports, reduces Great Lakes business to small proportions.

Take out again the grain that could not possibly move through Churchill, such as that required for shipment from Atlantic Coast ports during three-quarters of the year; durum wheat to Italy; consignment to all the countries which could not be served from Churchill; that which liners are willing to carry at ballast rates if necessary; that bought in small parcels by different British mills; and the possible exports through Churchill, without regard to the difficulties of doing business through that port, is brought down to small volume.

Gov't and Municipal Loans Absorbed Chiefly in Canada

Dominion's London Loan and Refinancing in New York Only Borrowings Outside Dominion — Municipal Issues Down

Canada absorbed more than half the new Government and municipal flotations in this country in the first eight months of 1933, according to an analysis by Wood, Gundy & Co. The total of new issues during the period was $282,353,072, of which $149,353,072 was sold in Canada.

Approximately $73,000,000 of new money raised in London, England, and a $60,000,000 loan was refinanced in New York by the Dominion Government. Outside these two issues, all flotations recorded were placed on the Canadian market.

A striking feature of the analysis is the sharp decline in municipal issues placed on the market in 1933, compared with 1932 and 1931. There have been no western municipal issues at all, according to the analysis, and Ontario, Quebec and Maritimes municipalities have offered less than half the volume of securities for the same period of 1932. The new issue of $13,500,000 City of Montreal bonds are not included in the analysis. Declining interest rates on gilt-edged securities have apparently not brought many smaller municipalities into the market yet.

Financing by the Dominion Government shows an increase over 1932. This will probably continue for the remainder of the year because of the forthcoming conversion loan. The provinces have come into the market with $73,881,238 in new issues, against $107,390,336 last year.

August was a notable month for Government financing in the Dominion in comparison with the same month of 1932 and 1931. Due to the Dominion's refinancing of a loan of $50,000,000 with Canadian banks and the first London borrowing for 20 years the total was unusually large. If the Montreal loan, announced on Aug. 30, were included, the contrast would be even greater. The decline of interest rates is having the effect of bringing out issues by larger borrowers.

The analysis follows:

CANADIAN GOVERNMENT AND MUNICIPAL FINANCING

To August 30:	1931	1932	1933
	$	$	$
Dom. Gov't. Direct & Gtd.	709,816,500†	....	183,000,000
Provincial Direct & Gtd.	130,416,205	107,390,336	73,881,238
Ontario Municipal	33,217,151	29,360,120	12,733,618
Quebec & Maritime Munic.	42,248,200	53,506,387	12,738,216
Western Municipal	11,418,363	4,084,066	....
Sold in Canada	193,498,919	176,512,576	149,353,072
Sold in U. S. A.	91,579,000	4,250,000	60,000,000
Sold in England	2,217,000	13,578,333	73,000,000
Conversion Loan	639,816,500†	....	....
TOTAL TO DATE	927,111,419	194,340,909	282,353,072

†Includes Conversion Loan $639,816,500.

Month of August:	1931	1932	1933
	$	$	$
Dom. Gov. Dir. & Gtd	....	....	123,000,000
Prov. Gov. Dir. & Gtd.	....	5,980,000	6,000,000
Ontario Municipal	513,407	2,538,618	247,642
Quebec & Maritime Munic.	1,227,000	1,220,500	....
	1,740,407	9,739,118	129,247,642
Sold in Canada	940,407	7,639,118	56,247,642
Sold in U.S. A.	800,000	2,000,000	....
Sold in England	....	100,000	73,000,000
	1,740,407	9,739,118	129,247,642

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CAN. VICKERS MOVES TO HOLD LIQUID STATUS

(Continued from page 1)

serving the liquid resources of a corporation. This would cause a direct loss of revenue to the Federal treasury and might cause the authorities to side with any bondholder complaining about discriminatory bond interest payments.

Operating Loss in 1932

Last year Canadian Vickers showed net earnings of $67,323. This included a subsidy of $105,000 from the Dominion Government under the Dry Docks Act, so that actually the company had an operating loss of $37,677. Current operations of the company are understood to be on a basis which does not come up to that reported a year ago, so that earnings are less than in 1932.

Diversify Plant Operations

In recent years the management has taken steps to diversify the operations of Canadian Vickers. In addition to the operation of a floating dry dock, the company has special divisions devoted to the shipbuilding and repairing; manufacture of industrial machinery; structural steel, aircraft and kindred products.

About the middle of this year it concluded negotiations whereby the company took over William Hamilton Ltd., of Peterborough. This company is engaged in the manufacture of mining, pulp and paper and other types of machinery.

Maintain Position Now

The volume of business being handled by Canadian Vickers Ltd. is not sufficient fully to engage the company's productive facilities. There is a need of additional business in all divisions.

Despite the smaller volume of sales, the management have been able to maintain and even improve the company's financial position. Bank loans, which at the end of February last amounted to $72,000, have been further reduced.

It is too early to forecast how the year will turn out for the company. Half of the fiscal year ended last month. The fall months usually represent a highly productive period, especially in the shipping division, and it is possible that returns for the full 12 months will be on a better scale than experienced in the first half of the year.

Key Hardware Prices Slashed During Week

Two important reductions have been made in hardware products in the last two weeks. Linseed oil has been reduced ten cents a gallon in eastern Canada because of the unsettled conditions prevailing in grain markets, and the declining value of flax seed. In one make of safety razor blades drastic reductions have become effective, one particular blade being fifty per cent below its former retail price. Advances are continuing in a number of hardware commodities. Imported guns and rifles have been raised in price by approximately fifteen per cent, and other goods from the U. S. are being adjusted as laid down costs are higher in Canada on account of increases in the home market. An advance of ½c a gallon is made in gasoline, coal oil and benzine. Imported German cutlery prices are being advanced because of money exchange values, jobbers report. Ruby lantern globes, drive-well points, corn brooms, certain padlocks, etc., are a few other lines on which jobbers have raised prices, states Hardware and Metal, Toronto.

A considerable improvement is shown in Government statistics on industrial activity. It is recorded that firms have added 200,000 employees in the last four months. This growing activity and the wider number of families again receiving steady earnings is expected to make itself felt in the purchase of household hardware equipment, as much needed replacements are made. Wholesalers report a much brighter outlook as regards their trade.

July Imports of Tea Increased Over 1932

The July imports of tea, amounting to 1,903,202 pounds, were considerably below the average although higher than in July, 1932. The quantity imported in the last twelve months was 39,007,369 pounds valued at $4,741,880 compared with 39,255,245 at $6,180,541 in the previous twelve months, a considerable drop in the value.

The quantity of black tea imported in June was 1,735,328 pounds and of green tea 167,884. Black tea from India totalled 810,716 pounds, from Ceylon 916,071, from China 7,552, from Japan 956 and from other countries 15. Green tea from Japan totalled 144,794 pounds, from Ceylon 18,802 and from China 4,288.

INDUSTRIAL BONDS--

With the recurring cycle of improved business there are a number of high grade industrial bonds where the margin of earnings and the equity back of the bond is such that it makes them decidedly attractive investments at present levels. Some of these bonds have never failed to pay their interest charges — even during the past difficult period, and may be purchased to-day to return substantial yields.

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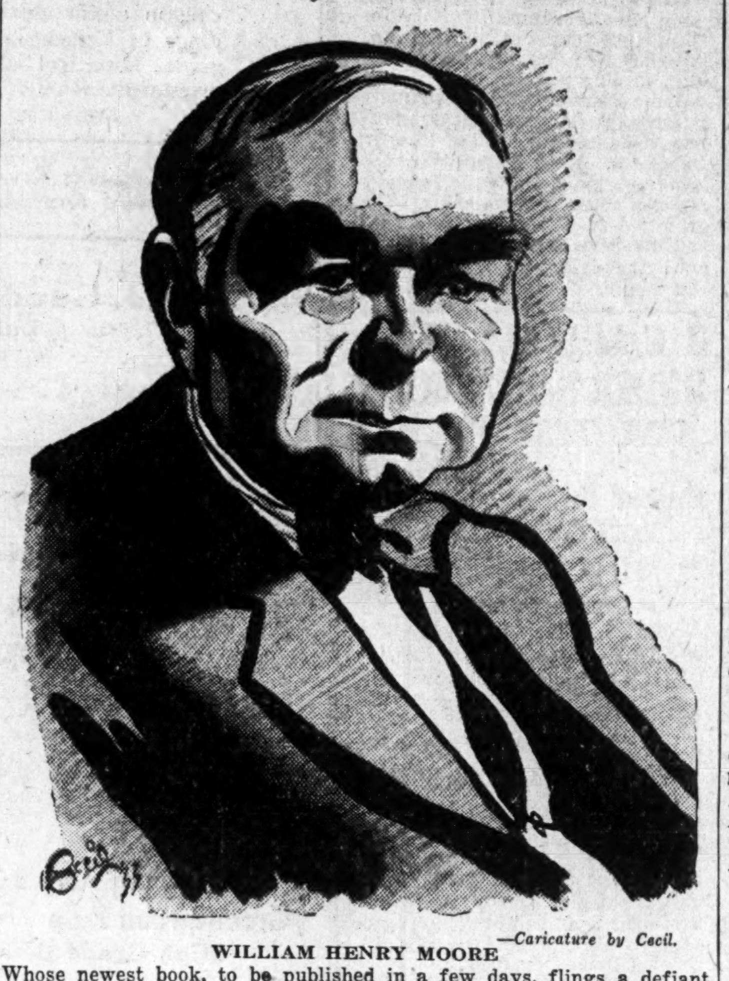
Sabotage of Economic Freedom Primary Cause of World Crisis

New Book by W.H. Moore Makes Case Against Planning Lives of Men For State Control—Shows Effect of High Taxes—Declares for Liberty

He Stands by Personal Freedom



—*Caricature by Cecil.*

WILLIAM HENRY MOORE

Whose newest book, to be published in a few days, flings a defiant challenge at the Planners of Society whose purpose is to substitute State Control of the liberty of the free soul. But he also defies the combines and the crooked promoters who would likewise undermine the freedom of the individual.

With the ground of civilization seeming to shake beneath their feet, despairing men and women have leaped for safety into a whirlpool of "isms." The swirling torrent is fed by printing presses pouring forth a Niagara of Utopian plans and new social theories. There are many people with schemes for swimming to safety and each one is sure he knows where solid ground lies. Here and there a lonely figure among the shouting crowds points out that the ground is shaking not because of an earthquake but because the torrent is eating away at the bank. They suggest that it might be better to pile up a few sandbags and control the flood, rather than to jump into the whirlpool to attempt to reach a theoretical other side.

Such a voice crying in the wilderness is that of William Henry Moore, M.P.

When Mr. Moore questions where Socialism, Fascism, Corporate States and New Deals are going to lead us he is not speaking as a man suddenly aroused to protest. In a lifetime of writing and speaking he has told us whither the abandonment of economic liberalism was leading us. He foresaw the coming of the present frenzy for a planned society. Years before most people understood what he was talking about he was fighting to save the individual from "unfreedom." Today he remains one of the few true liberals left in Canada, a man who sees as clearly the folly of control of personal action by the State as he sees the crime of control of our lives by corporate monopolies.

Light Amid Confusion

In "The Definite National Purpose," published during the present week, Mr. Moore brings a candle to light us through the fog of nomenclature. He traces the reasons for present economic confusions; he outlines what he thinks are the honest objectives of the ordinary Canadian and even apes the planners of society by offering a plan of his own—simply that people should be allowed to plan their own lives rather than have the plan drawn up and carried out by dictators, whether trusts, socialists, Communists, Fascists, or merely bureaucrats.

Here is a volume for every Canadian to read, whether he be an outright capitalist, a scion of a vested interest, a plain workingman out of a job or any one of the many groups between. It is the effective answer to the C. C. F. and the New Dealers alike, a stimulating, sensible book by one of our imaginative realists.

Basic Differences

The battle of the "isms," it is evidently Mr. Moore's opinion, is an effort to determine the general principles of human conduct. "With a common desire for human happiness we are ready to break each other's heads over the best means of securing it." But in the conflict of social utterances our differences are basically two; whether we should proceed mainly by individual or collective action. The "ismites" preach collective action as though it were something new. Mr. Moore sees clearly that Socialism is old stuff in Canada, as in most of the world. "We have in our own social order a mixture of Capitalism and Socialism with a touch of Communism, and may have many a valuable lesson by simply opening our eyes."

Our troubles are of our own making. "I believe," says Mr. Moore, "that Canadian poverty is largely caused by our collective stupidities." Even the planning of industry is not new. Joseph tried it. It led to the loss of political freedom for the Jews. "The story of planned industry begins with unfreedom." So it ran through feudalism, the guilds and the wars of trade. But eventually came economic liberalism, based on the doctrine "that industry is better planned by the millions than by the few." Human comfort, social good, advanced rapidly. The profit motive was present, but the creed was "service for profit." Profit was the motive power; competition the safety valve.

Encroaching on Freedom

Then, the few began to take away the individual's right to plan. The State, which had never entirely surrendered its control over economic life, encroached further on individual freedom. The great captains of industry followed suit and divided us into zones. "The supermen of politics and the supermen of industry have planned nationally and internationally and when the planners appeared to have us on the Peak of Prosperity we were tumbled to the foot of the Valley of Depression."

When Socialism came in, we needed more tax collectors and more policemen, Mr. Moore convincingly demonstrates by tangible references. Of our high taxation, he says "The diversion of so large a portion of national income through government channels is a major cause of the collapse we have suffered."

Liberalism Sabotaged

Of course, in a planned society, there is no such thing as competition. But says Mr. Moore, "When you shut out competition you shut out the incentive to efficiency." Mr. Moore is consistent. He dislikes the stifling of competition by private enterprise as much as by State control. "All my life I have disliked Bigness and the service it had to offer . . . Despite its boasted efficiency, Bigness fears competition and constantly seeks to suppress it. We have always known it to be arrogant; now we know it to be inefficient under Socialism; and may suspect it is no more efficient under Capitalism."

So by brilliant case history and logical reasoning, Mr. Moore demonstrates that "our depression came about because economic liberalism has been sabotaged by the advance guards of State socialism and corporatism." Note the twin enemies of our Society that Mr. Moore names. Mr. Moore's attack is not directed solely against the theorists and the politicians. He goes after the price-fixing combines. "We have passed back into an order that instead of being self-adjustable is adjusted for us. Then an insistent demand arises for a disinterested adjuster."

Mr. Moore, after railing at "plans," produces one of his own. It is a plan to compare other plans by. In truth it is less a plan than a logical summation of Mr. Moore's economic and social creeds. Its purpose is not to order our life by statute but to suggest what might be our worthwhile, definite object. This gives the clue to Mr. Moore's title, "The Definite National Purpose."

Pay "Labor Dividends"

Mr. Moore's plan is an attempt to find something "better than State Socialism, better than corporatism, better than economic liberalism, and of course, better than what we have." The plan simply is that we create in Canada a privileged class, to include only the men and women who invest useful labor in the maintenance of the social structure. To these people the State would pay dividends, in the later years of their lives just as it pays dividends to those who have bought Victory bonds.

It is quite obvious that this is not a plan at all; certainly not one of the kind that is spelled with a capital letter but simply an imaginative expression of the ultimate purpose of a reasonably satisfactory society. And we suspect Mr. Moore has introduced it merely to give him an opportunity to analyze the wastes in our national life, which he does under the guise of an attempt to find the money to pay dividends for Labor.

Where Waste is Found

There is the waste of our excessive governments and public spending.

There is the waste of crooked and inept financial promotion and corporate management. "If a company desired to erect a 30 story building on King Street, the city architect would require carefully drawn plans and would then go over them in detailed examination. Not so the capital structure of the companies created by the State; and thus it is, many of them tumbling down to the destruction of investors, workmen and the neighborhood." There are other wastes found and recorded by Mr. Moore.

A central bank is no part of Mr. Moore's plan. In fact he demolishes the proposal for a note-issuing, credit-controlling central bank by quoting from the central bank theorists' favorite sources and he details the colossal failure of our government attempts at credit-control, western farm loans for example. But there are some reforms in banking in Canada that Mr. Moore considers desirable. He wants bank directors to know more about banking; he wants bank managers to stop giving tips on the market; he does not want the largest loans to be made to firms controlled by bank directors.

Credo on Tariff

One naturally reads with increased interest when Mr. Moore, chairman of the old Tariff Advisory Board, starts talking about the Canadian tariff. Once suspected of being a free trader, then of being the right hand man of the vested interests, Mr. Moore was never either. His tariff creed is this "It has always seemed that success or failure in tariff making is to be counted by the numbers of happy people left in its trail." Mr. Moore has no illusions that an early collapse of economic nationalism will make our tariff unnecessary. But he suggests sense in our tariff, particularly a definite purpose, quoting our tariff shuttling with the woollen industry as a horrible example. He is not hopeful of reciprocity with the United States, whose farmers are as badly off as our own.

Definite National Purpose

Mr. Moore's plan then is simply that Canadians have a definite objective and refuse to get lost in a fog of "isms." "We need a definite national purpose not merely as a means out of depression but as a means to a more equitable distribution of wealth." The definite national purpose must be, Mr. Moore thinks, to retrace (not overnight because we cannot) our steps which have gradually been leading us down the road on the left; to work back to the highway of competitive economy. If we must plan let us do it "not collectively to scarcity, but individually to plenty."

"Our times are of our own making." So concludes this magnificent challenge of a great Canadian personality to the groups and forces that would rob him and 10,000,000 other Canadians of their freedom.

"The Definite National Purpose" is published by the Macmillan Co. of Canada, Toronto.

Trenchant Mooreisms

"Once Canadians and Americans talked grandly of the happy coincidence of rich natural resources in the possession of people with indomitable courage. Now, we shake our fists at the monsters in the cave."

* * *

"Sometimes whole masses of people are ready to sacrifice what they know to be right for what they believe to be expedient. Then the politicians must follow the masses."

* * *

"We have an advantage when we think things out at home. When men get into stuffy halls they do not think clearly."

* * *

"Individualists think of men as they are and Socialists think of them as something they call 'humanity'."

* * *

"Industry is more safely planned by the many than by the few."

* * *

"The polls possess no magic; they can confer power, they cannot confer wisdom."

* * *

"Your Socialist is a dreamer. He is not readily discouraged; when one dream is shattered, he dreams again."

* * *

"Perhaps our agricultural schools would be the better for being under the direction of the farmers rather than the governments."

* * *

"I would decentralize power. The best of the four bodies that govern me is the township council."

* * *

"I suggest that it is the plain duty of the State to see that a director directs."

* * *

"When the legislators voted for loaning money and adjusting debt they were trying to help a set of poor people and it probably never occurred to them that the assistance they gave was at the expense of another set of people still poorer."

* * *

"It was the savings of the poor not the capital of the rich that went into the mortgages on farm land."

* * *

"Above all bankers should not be brokers. Bankers should not be big borrowers."

* * *

"An economy that is half flexible and half rigid will never work well and some day will be found not working at all."

* * *

"The Dominion Bureau of Statistics is given over to a realism that is sometimes disconcerting to political speculations."

* * *

"Neither Democracy nor Socialism has devised mechanism whereby it may efficiently conduct industry."

* * *

"No substitute has ever been found as industrially efficient as individual profit incentive."

* * *

"Protesting against the iron heel of Democracy, the Socialist is not at all worried about falling under the iron heel of a Socialist dictator."

* * *

"There are no super-men among us."

* * *

"Your Canadian is not to be readily socialized."

* * *

"The State should cease intervening between the man and his job."

* * *

"Individual greed is bad; but group greed is far worse."

* * *

"Democracy is the best of all governments; but it must give efficient service if it is to live."

* * *

"The State's 'shall nots' are more effective than its 'shalls'."

* * *

"Credit has been described as the mainspring of industry. The depression entered its worst phase when the government broke the mainspring."

* * *

"Refusal to recognize human nature for what it is and work with it has brought us to the verge of collapse."

* * *

"The great inequalities of wealth have generally come about when profits were acquired unchecked by competition."

* * *

"Every sane man is the best guardian of his own fortunes."

* * *

"The return of capital is rarely excessive under competitive economy. Capital is plainly entitled to no greater return under monopoly than the normal one."

* * *

"The Canadian planned the lives of the aboriginal Indians and made a mess of them; the State did its best for the Indians, it can do little better for us."

Directors are Liable Under New U. S. Law

Onerous Responsibilities Placed Upon All Connected With Companies Selling Stocks or Bonds to Public

By ROGER S. DAVISON

It is one of the fundamental principles of common law that those who hold positions of trust must exercise their duties in a scrupulous and trustworthy manner. The officers and directors of an incorporated company are in a position of trust with respect as they are to their shareholders, and consequently are responsible to them for their actions.

Too often in the past has the fiduciary nature of a director's or an officer's position been forgotten. The management of industry has too frequently usurped the authority of ownership to further personal advantage at the expense of the real owners of the business—the shareholders. The United States Securities Act of 1933 recognizes that such abuses exist and is an attempt to curb the greed of promoters by compelling full publicity of "every essentially important element attending the issue of new securities."

Duties of Public Company

Private business is justified in expecting a large degree of freedom in its operations; but when the public is invited to finance an enterprise, complete information regarding the character and scope of the business should be made available and the concern should be subject to regulation in the public interest. Not only will the investing public in the United States now receive all of the information that it is likely to understand (and more) but it may be reasonably assured that the information will be correct. The heavy civil liabilities of the Securities Act will ensure that.

Among other things the investor will now be told plainly the purpose for which the new money will be used, the cost of raising the money, full particulars of existing contracts, options, etc., the interest in the business held by all officers, directors and large shareholders, the remuneration of every officer where such remuneration is over $25,000 per annum, the interest of any officer, director or shareholder in any business or property to be acquired, and complete financial statements clearly setting forth the record of the business for a period of at least three years prior to the sale of securities.

Glare of Publicity

The key to the whole act is found in the word "misleading." If a statement (in the registration statement) is made which will be misleading or if a material fact is omitted which was "necessary in order to make the statement not misleading" the issuer, and its principal officers and directors, are liable. For the business executive and promoter the "New Deal" means the glare of publicity and a new responsibility to investors.

The new Securities Act does not stop with the commendable purpose of raising the standard of honesty in business management; it is also aimed at careless or unscrupulous "experts"—upon whose certificate the investor accepts the statements contained in the prospectus. In the future the words "as certified to by . . . ." will hold a new significance. The signature of any expert on the prospectus carries with it the full responsibility of that person for the accuracy of the statement made. If, for example, an appraisal company certifies the value of a certain property to be $1,000,000 when $500,000 would be a more correct figure, that company may be sued, by any person acquiring the security in question, for the refund of his money or, if he no longer holds the security, for damages. Hurriedly constructed and lightly signed financial reports and legal opinions which were a conspicuous feature of pre-depression financing, may now be conspicuous by their absence.

Less Protection Here

In Canada, at the present time, a company may be incorporated in any province or may take out a Dominion charter under the Dominion Companies Act. The information required at the time of incorporation, however, offers little protection to the investor. If one of the provinces enacts more rigid company legislation it loses the revenue from the incorporation of new companies which quite naturally apply for their charters in another province or from the Dominion Government.

While our company laws are the concern of both the Dominion and the various provinces, the supervision of new security issues has been, to date, under provincial jurisdiction only. A company about to place a security issue on the market is required by the Security Frauds Act of several of the provinces to file detailed information; and, in Ontario, a prospectus containing this information must be given to the buyer. Business executives and directors may be held to account for their acts through common law action on the part of any shareholder. They are also legally responsible for the truth of any statement made in the prospectus of the company which must be filed under the various company acts.

Do We Need New Laws?

The tendency of the courts in both England and the United States has been to hold directors and promoters to a strict accountability for the accuracy of the representations, when action can be taken against them legally; but since our provincial governments here in Canada cannot pass criminal legislation, penalties are restricted to fines for violations of the Security Frauds Acts. The question is do we need federal legislation such as the Securities Act which was recently enacted in the United States?

Under this new law no securities (unless specifically exempted) can be issued until they have been registered with the Federal Trade Commission. A registration statement must be signed by the leading officers of the company and a majority of its board of directors; and, as already stated, must contain complete information regarding the company. If an accountant, engineer, appraiser or lawyer is named as the authority for any part of the statement, the written consent of such person must be filed with the registration statement.

It is provided by the act that the Federal Trade Commission may at any time issue a stop order preventing the further sale of the securities. A stop order may be issued if the commission finds that the registration statement does not fully comply with the requirements of the act, or if the commission believes that it contains a misleading statement. Since it is not the purpose of the new act to pass judgment in any way upon the securities offered to the public, the Federal Trade Commission must allow their sale twenty days after the registration statement has been filed unless a stop order is warranted. The onus is then upon the investor to determine whether or not the issue possesses any merit as an investment.

Penalties Provided

The effort of the administration at Washington to provide the investor with adequate and accurate information will no doubt meet with a sympathetic reception. The purpose of the act in this respect is entirely laudable. Less enthusiasm, however, will likely be shown for the methods employed and the penalties imposed. It is to this feature of the act that we now turn.

It is provided by the act that if the registration statement contains an untrue statement of a material fact or in other respects is misleading, any person acquiring the security may sue every individual who signed the statement, every director of the company (whether he signed or not), every person named as certifying to a portion of the statement (but only with respect to that portion) and finally every security dealer who participated in the underwriting of the issue. It is not necessary for the investor to prove that his loss is due to the misrepresentation. The burden of proof is on the defendant who must either show that the statement was not misleading or that he had taken every reasonable precaution to verify its accuracy. It is stated in the act that "the standard of reasonableness shall be that required of a person occupying a fiduciary relationship." The suit launched by the purchaser of the security may be to recover the full consideration paid or for damages if the security is no longer held. The persons named are jointly and severally liable. If a $10,000,000 issue is placed on the market an officer or director of the company making the offering may find himself liable for the full amount of the issue although he probably received none of the proceeds and may not have secured any benefit whatever from the financing.

Some Results Seen

In England the directors and officers authorizing the issue of a prospectus in connection with a new security offering may be sued for damages but generally speaking there is no right of rescission except against the person who actually made the sale. In this, as well as in other respects, the American act differs widely from existing English practice. Some of the effects which such far-reaching legislation may be expected to exert upon the issuance of new securities, are mentioned briefly in the following paragraphs.

In the first place, it is generally believed that the practice of underwriting new issues will cease, because of the delay and uncertainty attending registration of the issue; and also because of the heavy civil liabilities imposed upon all dealers who participate in an underwriting, regardless of the size of their participation. If a company cannot secure an underwriting of an issue being made to refund an outstanding obligation maturing within a short time, it may easily run the risk of defaulting.

Another probable result of the Securities Act (and one which is already apparent) is the formation of investment trust companies to raise funds for ventures which might not be able to comply with the provisions of the registration statment. A large percentage of the new issues registered with the Federal Trade Commission since the enactment of the new law are investment trusts.

Risk of Being Director

One important result of the act will be the refusal of many experienced business men to serve as directors on the board of companies which contemplate any public financing. The risk of being a director is far too great in proportion to the nominal remuneration usually received. It will no doubt be equally difficult for a company to secure the services of reliable experts to certify statements appearing in the registration statement. Such a result will be most unfortunate.

The power of the Federal Trade Commission to issue a stop order (preventing the sale of a new security) even after the offering has been originally approved is comparable to the sword of Damocles hanging over the head of the company and the security dealer alike. A stop order issued in the midst of a public offering would unquestionably put an effectual end to the sale of that particular security.

Cost of Protection

There are many other probable consequences of this new legislation. There can be no doubt that the investor will have more protection than ever before. It is to be hoped, however, that the cost of such protection will not be a definite halt in the normal expansion of business.

Before concluding this article it may prove interesting to refer to the position of a Canadian company desiring to sell an issue, or part of an issue, in the United States.

(Continued on page 13)

HER INTERESTS SERVED

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Larger Grape Crop

British Columbia's grape crop this year is estimated at almost double that of last year, at 1,042,000 pounds, compared with 583,000 pounds in 1932—an increase of 79 per cent.

Brown Corp. Outlook Better

The Brown Corporation at Quebec anticipates a cut of lumber this year about twice as large as that of last year, or between 50,000,000 and 60,000,000 feet.

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CANADIAN INDUSTRIES LIMITED
"CELLOPHANE" DIVISION

INTER. P. AND P. IMPROVE STATUS SECOND QUARTER

Operations Result in Loss — July Figures Indicate a Profit

From Our Own Correspondent

MONTREAL. — International Paper and Power Co.'s consolidated gross sales in the second quarter of this year totalled $31,652,682 compared with $31,209,931 in the second quarter of last year. This is a better showing than made in the first quarter when aggregate sales were nearly $6,000,000 less than those reported in the first three months of 1932.

Operations for the second quarter again resulted in a loss after all charges but, in spite of the $5 a ton decline in newsprint prices effective on the first of April, there was improvement both as compared with the first quarter of this year and as compared with the second quarter of 1932. Preliminary figures indicate a profit in July.

Paper Sales Better

From April to July the paper business steadily improved. Consumption of practically all grades increased, as did prices for most grades except newsprint. There has also been a substantial improvement in earnings in the power subsidiaries in New England.

Bank Loans Arranged

In respect to the company's current liabilities, Archibald R. Graustein, president, points out that consolidated notes payable of subsidiaries at the end of July last totalled $19,317,423, a net reduction of $8,666,824 since the end of 1932. The $14,500,000 bank loans of International Paper Co. which matured August 15, 1933, have been extended to August 1, 1934, subject to the payment of $1,000,000 on account on February 15, 1934, and $1,000,000 on May 15, 1934.

Net revenue in the second quarter of this year, before charges, was $9,850,224 against $9,544,618 for the same period last year; while net loss of $1,535,417 after all charges including depreciation, compared with a net loss of $1,856,237 in the second quarter of 1932.

Details of Income

Particulars of the profit and loss account for the second quarter of 1933 and 1932 follow:

	Quarter Ended June 30 1933 $	1932 $
Gross sales	31,652,682	31,209,931
Net revenue	9,850,224	9,544,618
Less: Int., inc. taxes, and subsid. divds. paid or accrued	7,895,927	8,015,924
Deprec. depl., amort. of discount	2,629,012	2,644,367
Acc. unpaid sub. divds. and undist. min. interests	860,702	740,564
Net loss	1,535,417	1,856,237

Half Year Sales Lower

For the first six months of this year International Paper and Power Co.'s consolidated gross sales totalled $61,684,573. This compared with $67,126,769 in the first half of 1932. Net revenue, including other income, but before charges, was $19,267,881 as against $20,906,481. After making provision for all charges, the company reports a net loss for the first half of 1933 amounting to $3,774,490 as against a net loss of $2,255,803 for the corresponding period of 1932.

Comparative consolidated statements are as follows:

	Six Mos. Ended June 30 1933 $	1932 $
Gross sales	61,684,573	67,126,769
Net revenue	19,267,881	20,906,481
Less: Int., inc. taxes, and subsid. divds. paid or accrued	15,864,375	16,529,810
Deprec., depl., amort. of disct.	5,325,527	5,337,620
Acc. unpaid sub. divds. and undist. min. interests	1,852,469	1,294,854
Net loss	3,774,490	2,255,803

(In above statement all figures stated at parity of exchange without adjustment of differences between foreign and United States funds. It is the practice of the company to take into current operations any profit or loss on exchange at the time funds are actually transferred).

Opens Office in Cuba Says New Era Dawning

Fenner, Beane & Ungerleider, members of the New York Stock Exchange, who have foreign offices in Toronto, Paris and London (two offices in London) are opening a fifth in Havana, Cuba.

This is an interesting expression of confidence in Cuba, following the deposition of Machado as president and the present disturbed political conditions in the island. Charles E. Fenner senior partner, says a new era is dawning in Cuba and that his firm intends to provide a means for investment of surplus funds of Cubans in the stocks and bonds of American corporations.

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Head Dominion's Chartered Accountants

GEO. C. McDONALD

J. GRAY MUNDIE

At a meeting of the council of the Dominion Association of Chartered Accountants held in Edmonton the following officers were appointed for the year 1933-34:—President, George C. McDonald, C.A., Montreal; vice-president, J. Gray Mundie, C.A., Winnipeg; chairman finance committee, H. E. Guilfoyle, F.C.A., Toronto; secretary-treasurer, Austin H. Carr, C.A., M.A., Toronto; honorary chairman editorial committee, H. Percy Edwards, F.C.A., Toronto; chairman editorial committee, Charles S. Eddis, F.C.A., Toronto.

CANADIAN HYDRO SHARE EARNINGS ABOVE DIVIDENDS

Current Income Registers Slight Drop Owing to Exchange

From Our Own Correspondent

MONTREAL.—Canadian Hydro-Electric Corp., a division of International Hydro-Electric System, reports earnings of $19.10 a share on its preferred stock during the twelve months ended June 30 last.

Consolidated operating revenue and other income of Canadian Hydro-Electric Corp., including Gatineau Power and subsidiary companies, amounted to $2,377,832 during the second quarter of this year. This compares with $2,351,536 for the corresponding period of last year.

Exchange Affects Net

Net revenue before interest and depreciation for the second quarter of this year was $1,994,650, as against $2,172,904 in the second quarter of 1932. The current figure is after loss on exchange of $127,026 while the 1932 figure includes a profit on exchange of $125,669.

Particulars of the consolidated profit and loss statements for the second quarters of 1933 and 1932 follow:

	Quarter Ended June 30 1933 $	1932 $
Oper. revenue and other income	2,377,832	2,351,536
Profit on exch.	......	125,669
Loss on exch.	127,026	......
Profit on bonds and debent. redeem.	84,753	54,306
Total revenue	2,335,559	2,531,511
Net	1,994,650	2,172,904
Int., amort. of disc. and prof. div. of subsidiary	1,248,028	1,262,681
Deprec. and amort. storage works	161,657	148,043
Balance	584,965	762,180

Dividend Fully Earned

Cumulative returns for the twelve months ended June 30, 1933, showed consolidated operating and other revenue of $9,510,861. This compares with $9,448,679 in the twelve months ended June 30, 1932. Net revenue before interest and depreciation was $8,043,292 as against $8,401,837.

After deducting all prior charges, including depreciation, earnings in the year ended June 30, 1933, available for dividends totalled $2,387,595, or $19.10 a share on the 6 per cent first preferred stock. This compares with $2,746,525, or $21.97 a share, in the twelve months ended June 30, 1932.

Comparative consolidated profit and loss statements for the twelve months ended June 30, 1933 and 1932, follow:

	Twelve Mos. Ended June 30 1933 $	1932 $
Oper. revenue and other income	9,510,861	9,448,679
Profit on exch.	......	368,730
Loss on exch.	269,153	......
Profit on bonds and debent. redeem.	265,587	107,423
Total revenue	9,507,295	9,924,832
Net	8,043,292	8,401,837
Int., amort. of disc. and pref. divid. of subsidiary	5,011,580	5,068,949
Deprec. and amort. storage works	644,117	586,363
Balance	2,387,595	2,746,525

When United States funds went to a premium in 1931 Canadian Hydro-Electric had a credit balance with International Paper and Power Co. which was repaid by that company in United States funds and used to meet interest payments. This credit was exhausted at June 30, 1932. Therefore, since the first of July, 1932, instead of the profit represented by the premium on United States funds there has been a loss averaging about $22,000 a month representing the cost of acquiring the balance of United States funds needed for the payment of interest and sinking funds.

WESTMINSTER PAPER EARNED 45c PER SHARE

Profit Increased Due to Lower Costs; Sales Are Maintained

With net sales practically unchanged at $463,180 in the year ended July 31, 1933, Westminster Paper Co. showed a larger gross and net profit. After increased provision for depreciation and income tax reserve and payment of dividends at the rate of 40 cents per share, surplus was increased by a small amount, and working capital was improved. Improved earnings are due largely to general economies in operation and concentration of the sales force on the more profitable items. Earnings equalled 45 cents per share on the 47,789 shares of common stock against 42 cents in 1932.

For the past three fiscal years sales have shown little change but manufacturing costs and selling and administrative expenses have been reduced.

Income and surplus account for the past two fiscal years is as follows:

Income and Surplus Account
Years Ended July 31

	1933 $	1932 $
Net sales	463,180	467,416
Less: Cost of sales	322,764	331,150
Gross earn. from oper.	140,416	136,266
Add: Misc. income	6,175	6,215
Gross earnings	146,591	142,481
Less: Sell. & admin. exp.	68,653	82,210
Net earnings	77,939	60,271
Less: Deprec.	29,900	15,000
Bond interest	18,460	19,143
Income tax prov.	8,000	6,158
Net profit	21,579	19,978
Less: Cash dividend	19,116	562
Stock divd.	......	17,840
Surplus for year	2,463	1,568
Add: Prev. surplus	22,904	21,336
Less: Inc. tax adjust.	1,850	......
Surplus forward	23,517	22,904

Working capital has been increased by some $23,000. Cash is not substantially higher at $3,679 while inventories are down some $4,000 at $80,328. Chief increase in current assets is due to accounts receivable up to $67,952 from $36,535. Cash surrender value of life insurance is up to $15,000. Current liabilities include trade accounts payable of $31,617; owing Pacific Coast Paper Mill, $7,541; accrued debenture interest of $6,565; accrued salaries and wages of $4,040 and reserve for income taxes of $10,131.

Working Capital Position, as at July 31

	1933 $	1932 $
Current assets	169,003	138,054
Current liabilities	59,885	51,967
Working capital	109,118	86,087

Capital assets total $666,082 of which $70,000 is in leasehold; $520,950 in buildings and equipment after reserve of $57,243 for depreciation, and $75,131 is in patents, trademarks, etc., at values estimated by the company. Investment in bonds and stock of Pacific Coast Paper Mills is carried at $107,375; sinking fund for first mortgage debentures, $16,846 and deferred charges $1,230. There is outstanding $299,000 of debentures and a sinking fund payment of $10,000 is due on October 27. Stock outstanding consists of 47,789 shares of $10 par value common.

Note:—See page 2 for information as to how a complete analysis of this company can be obtained.

FORMER CANADIAN MANAGER WORLD'S LARGEST HOTEL

H. V. Hansen, Once With Canada Biscuit, Now Heads Palmer House

Many Canadians will be interested in the appointment of H. V. Hansen as general manager of the Palmer House, Chicago, announced recently by officials of the Palmer Estate Corporation.

Mr. Hansen is well known throughout Canadian business circles, having been general manager of Christie-Brown & Co., Ltd., of Toronto, and also general manager of the Canada Biscuit Co., Ltd., of London, Ontario.

The Palmer House, which was first opened in Chicago in 1871 by Potter Palmer, the first, and torn down in 1925 to make way for the new hotel, is the largest hotel building in the world in square feet of floor space and cubic feet of contents, having over 2,000 guest rooms and accommodating 4,000 people. The Palmer House is stated also to be the most valuable hotel property in the world, having a total valuation of over $43,000,000, including real estate, building and equipment. When running at full capacity, over 2,500 people are employed in the operation of the Palmer House. In fact, Mr. Hansen, if he were to borrow some language from his old Canadian business, might say that it "takes the biscuit."

Sherbrooke Trade Active

Canadian Silk Products are still running full time night and day, with a staff totalling about 550. All other firms at Sherbrooke are continuing full time, with good orders coming in.

ENGLAND MAKES NOTABLE GAINS THROUGH TARIFF

Benefits of Policy Now Reveal Themselves, Says Samuel

That Great Britain is only now beginning to feel the effects of the adoption of a policy of tariff protection is the opinion of Sigmund Samuel, Toronto business man, who has returned to Canada after a summer spent at his London, England, residence.

"There is a very definite improvement in trade in Great Britain," said Mr. Samuel. "There is also to be noted a marked betterment in business sentiment. The British people are inclined to feel that much of this is due to the fact that the world has entered a normal period of recovery from the great depression but the new protective tariff, particularly with the incorporation of a policy of Imperial preference, has been a factor of primary importance. It has enabled many new industries to spring up in Great Britain and has given new life to old industries. The abandonment of the gold standard, which gave to industrial development the same impulse as a bonus on exports or a tariff on imports would have done, has been an important factor in the improvement in Great Britain.

Much Advance Buying

"One reason the effect of the tariff was slow making itself felt is that huge importations had been made in anticipation of the levying of the new duties and it has taken some time to work off these stocks.

"Great Britain gets the full advantage of its tariff, because it allows no rebate on raw materials imported and later re-exported as a part of finished articles. Take for instance tin plate, which is made from steel. Great Britain used to import large quantities of Continental steel for use in the Welsh tin plate industries. Because of the tariff on tin plate, the Welsh factories have been given considerable stimulus and in turn they have been purchasing practically all their steel in United Kingdom, whether for manufacture into tin plate for the home market or for the export market. Thus, the tariff on tin plate has definitely helped the steel industry."

No Sign of Inflation

Mr. Samuel stated that in Great Britain he found no evidence that the British government intends to embark upon a policy of inflation or price raising. There are so many people in Great Britain eking out a modest living from dividends, interest, pensions and similar sources and to whom a rise in prices would be a serious matter, that the British government considers the stability of prices to be preferable to a general rise in prices internally.

Mr. Samuel expressed admiration for the manner in which Great Britain had handled her monetary and economic problems. Conversations with important Americans had convinced him that there was a sound body of opinion in the United States that feels that America would have been better to have remained a part of the British Empire, becoming a sister nation of Great Britain, Canada and the other Dominions.

"The thinking American," said Mr. Samuel, "looks with envy and admiration upon England, which he considers the one bright and shining light in the world's economic picture today."

Political Prospects

Mr. Samuel does not expect the present national government in Britain to carry on for the full three years remaining for its term of office. Time will be given for the full effect of British tariff policies to manifest themselves and then an appeal to the country will probably be made. It is likely, in Mr. Samuel's opinion, that the next election will be fought on straight party lines. "Coalition governments do not last in Great Britain. The Labor-Socialist party is still strong and the next election will be a straight fight between the Conservatives and the Labor Socialists. It is possible that Ramsay Macdonald will be permitted to retire, as he would like, and that Neville Chamberlain would take command of the Conservative party and lead it to the certain victory that awaits it at the polls."

Disappointment in Great Britain over the results of the Imperial Economic Conference, according to Mr. Samuel, is not directed so much against the rates of duties established in Canada but against the rigorous administration of officials at Ottawa and against the allegedly unfair valuations placed on British goods. There was every disposition in Great Britain to support the Imperial Economic Conference agreements because the difficulties were recognized and it was felt that any agreement was to be preferred to a break-up of the conference. The British were only mildly disappointed that Mr. Bennett had apparently out-generalled the British negotiators at Ottawa but they have been genuinely disturbed by what they consider to be the unfair interpretations put upon those agreements by civil servant administrators of the tariff in Canada.

Seek E. M. B. Continuance

Insistent pressure from strong Imperialists in London has put upon the British government to continue the operations of the Empire Marketing Board, Mr. Samuel said. The decision of the government to abandon the operations of the Board was not difficult to understand in view of the lack of contributions from the Dominion but it had disappointed many British citizens. There was a disposition to feel that the policy of discontinuing the board was a "penny wise, pound foolish" one and there remained the possibility that the British government would re-consider its decision.

Referring to the work of the Jewish Economic Federation, which was recently founded at Amsterdam under the chairmanship of Sir Robert Mond, who is well-known in Canada, Mr. Samuel said that it was not the intention of the Federation to institute a world-wide boycott against German products, as had been reported in the press. Rather, they had merely set themselves to the purpose of finding openings for exiled Jewish people who had formerly lived and worked in Germany. Many of them were being placed in Palestine which offered sufficient opportunities to ambitious Jewish people.

Mr. Samuel is president of Samuel, Son & Co., Toronto, wholesale merchants in iron, steel and metals.

Eastern Dairies' Units Defer Preferred Dividends

From Our Own Correspondent

MONTREAL.—Crescent Creamery Co. and Acme Farmers' Dairy, subsidiaries of Eastern Dairies, have deferred dividends on their preferred stock. This follows similar action taken by the parent company last April, owing to the fact that earning power was insufficient to take care of the obligations.

At the end of last year, Crescent Creamery had outstanding $1,000,000 7 per cent cumulative preferred stock. When this company was acquired by Eastern Dairies in the early part of 1927, the public was offered $500,000 of the preferred stock. Later on another $500,000 was issued, bringing the total outstanding up to $1,000,000.

Conditions in the Winnipeg milk trade have been unsatisfactory for some time past, price wars and other injurious trade practices limiting earning power.

Acme Farmers' Dairy, originally a farmers' co-operative organization, came under control of Eastern Dairies in April, 1929, when the latter purchased all of the former's common stock at $36 a share. The preferred stock was issued in 1926 and dividends were paid regularly until the deferment of dividends last month.

WENTW'TH RADIO SALES DOWN 47% LOSS IS REDUCED

Cash on Hand Exceeds Current Liabilities; Write-offs Lower

With volume of sales lower by 47 per cent than in the previous fiscal year Wentworth Radio & Auto Supply Co. had an operating loss of $20,874 in the year ended April 30, 1933, as compared with an operating loss of $28,136 in 1931-1932. Total loss for the year was $35,415 as against $83,846 the previous year due in part to smaller provision for depreciation and reduction in write-offs of expenses for closing stores in Montreal and Toronto which were responsible for a substantial proportion of the company's previous losses. While working capital is lower, ratio of current assets to current liabilities is higher.

Losses and write-offs in the year recently ended have wiped out the company's surplus. Income and surplus account is as follows:

Income and Surplus Account
Years Ended April 30

	1933 $	1932 $
Sales	321,176	608,279
Net loss	20,874	28,136
Less: Depreciation	10,241	14,855
Inventories w/o	......	16,158
Cost closing down Toronto and Montreal stores and loss on fixtures	4,300	23,697
Net loss	35,415	83,846
Add: Previous surplus	41,179	10,457
Income tax adjust.	2,974	......
Predecessor cos'. surp.	......	73,509
Life ins.†	......	50,000
Less: exp. w/o	15,000	......
Fees to Credit Assoc. re extension agree.	......	9,941
Balance carried forward	*6,262	41,179

*Deficit.
†Recovery on life of H. H. Slack.

Cash on hand of $33,601 is more than sufficient to pay off all current liabilities which total $28,311. In addition the company has net accounts receivable of $27,335 and merchandise inventories of $141,410. Chief reduction in current assets during the year has been in cash which is lower by some $26,000 while inventories are down by only $12,000. Working capital position is as follows:

Working Capital

	1933 $	1932 $
Current assets	204,481	259,828
Current liabilities	28,311	59,806
Working capital	176,170	200,022
Ratio	7.22—1	4.34—1

Fixed assets are carried at $203,010 after deduction of depreciation reserve of $26,792. Investment in common shares of Wentworth Radio Broadcasting Co. is carried at $50,000. Deferred expenses total $12,213. There is a first mortgage of $72,000 against the Hamilton store and land. There remain outstanding $300,000 of $100 par value preferred stock, 26,792 shares of class A and 4,000 shares of class B, no par value common shares.

Note:—See page 2 for information as to how a complete analysis of this company can be obtained.

B. C. PAPER MILLS MAY AVOID N. R. A. INCREASE ACTIVITY

Operate Under Better Conditions Than in U. S. A.

From Our Own Correspondent

VANCOUVER.—Pulp and paper mills operating in British Columbia are not expected to be affected by enforcement of the National Recovery Act in the United States, despite the fact that the United States constitutes one of their most important marekts.

Mills manufacturing paper specialties, such as tissues and wrapping, are already operating under conditions considerably better than in the United States, where keen competition forced drastic economies during the last three years. B. C. mills are operating according to a higher labor code than has been observed in the United States for some time.

Most of the mills in British Columbia are more active now than they were at a corresponding date last year, although prices are still so low that there is small reward for their operations. Westminster Paper Company, in the specialty business, however, has completed a satisfactory year and reported a profit for the year ended July 31 amounting to $21,578, as compared with $19,970 for 1932.

These profits show net profit after bond interest, depreciation and income taxes. They reflect a greater measure of improvement than is indicated, as the depreciation allowance of $29,900 was $14,900 greater in the year under review than in the year ended July 31, 1932, and income tax was $2,000 higher. Actually, therefore, the earnings were $18,000 higher this year.

Edmonton Industry Growing

More than $28,000,000 is invested in 159 Edmonton manufacturing concerns, which employ 4,084 persons and pay more than $5,000,000 annually in wages, according to the latest, annual, census figures, covering the year 1932.

B. C. SHINGLE MEN UNDER N. R. A. CODE FOR TEST PERIOD

Export Product to U. S. Duty Free — Will Cut Working Hours

From Our Own Correspondent

VANCOUVER. — Probably the first case in which a Canadian industry has officially complied with the code of the National Recovery Act of the United States is presented by the shingle mills of British Columbia.

These mills are in an exceptional position in relation to United States industry by reason of the fact that their product enters the United States, their biggest market, duty free. Competition of British Columbia shingles was protested to President Roosevelt by mill operators in Washington and Oregon, who claimed that while American mills were operating at only about 50 per cent capacity the B. C. mills were at about 70 per cent capacity. They contended that the conditions under which the Canadian mills operated were inferior to those demanded under the N. R. A. code.

Use Code Two Weeks

The B. C. shingle mills, according to action decided upon by the B. C. Lumber & Shingle Manufacturers' Association, will operate under the N. R. A. code for at least the first two weeks of September.

The British Columbia mills have been advised to operate on identically the same basis as the American mills for the two weeks' period.

It was intimated to the American operators that this would ensure a material decrease in production in British Columbia and would also necessarily entail a substantial decline in the shipments of B. C. shingles to the United States.

The arrangements thus made in British Columbia were endorsed by the shingle manufacturers and embraced about 90 per cent of the B. C. shingle production.

Under this plan the shingle mills in British Columbia for the period of Sept. 7 to 16, will not operate their plants in excess of 64 machine hours for the whole period.

The mills can use up the 64 hours in any way best suited to their operation, but in no case will they operate their plants in excess of the maximum allowance specified.

New York Organization Formed by Three Canadians

A new investment firm, Saunders, Ashplant & Co., has been formed in New York to handle Canadian securities. Three Canadians, Gordon S. Saunders, Frederick B. Ashplant and Charles W. Goodeve, the latter in charge of trading, are the partners. The firm will specialize in Canadian government and municipal bonds.

Mr. Saunders joined the National Trust Co. in Toronto in 1919. Later he became associated with Dominion Securities Corp. and had been with them up to the time of the establishment of the new firm.

Mr. Ashplant for the past 23 years has been affiliated with the Bank of Montreal in the United States and Canada, and for the past 15 years was manager of the foreign exchange department.

From 1920, Mr. Goodeve was with Wood, Gundy & Co. in Toronto, Montreal and New York. In May, 1932, he became associated with the Dominion Securities Corp. in Toronto.

September Bond Investments

Our September Review and Bond List entitled "The Canadian Bond Market and Canada's Credit," reviews Canadian financing in recent months and offers a wide range of Canadian Government and high grade Municipal Bonds for September investment.

September Review and Bond List gladly forwarded upon request.

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News of Investment Markets

BOND MARKET FIRM, INACTIVE IN LAST WEEK

Labor Day Holiday Interfered — Montreal Issue Sold

Inactivity and firmness characterized the Canadian bond market in the week ended Sept. 5. Governmental issues were generally steady, yielding fractions of recent gains. Corporation bonds had few changes most of them fractional. The Labor Day week-end resulted in general sluggishness.

As evidence of the inactive market, there were no new tender calls reported and only two municipal bond sales. County of Lanark, Ont., got 101.21 for an issue of $35,300, five per cent, 20-year installment bonds for highways. Harris MacKeen & Co. got the bonds in keen bidding from 16 firms, most of the bids being above par. This is considered significant of the attitude of investors toward municipalities which are conservatively financed. The county reduced its debt in the last year. City of Longueuil sold $90,000 of 10-year, 5½'s to René T. Leclerc at 97.11.

Due to interference with marketing, because of the holiday, the offering of Province of Alberta 22-year, 5's, at 95.20 made slow progress in comparison with recent Western provincial offerings. More rapid distribution of this issue is expected this week.

Montreals Sold

The offering of $13,500,000 City of Montreal 4½ per cent serial debentures to yield 4.30 to 4.85 per cent was immediately successful. The bonds were taken up on the first day of the sale. This leaves the Alberta 5's as the only recent new governmental issue yet to be absorbed.

Corporation bonds have been mostly featureless. Even the more active speculative issues changed little in the week. Comparative quotations are on page 14.

Gilt-edged bonds, as measured by The Financial Post's average yield on seven representative issues, made their high for the year on Aug. 29. The yield dropped to 4.341% on that date, due to price advances. On Sept. 5 fractional decline brought the yield up to 4.353 per cent, but still within striking distance of the year's low.

The average yield has shown the following changes:

Average Yield on Seven Gilt-edged Canadian Bonds

	%		%
Sept. 5	4.353	Aug. 15	4.409
Sept. 1	4.360	July 31	4.447
Aug. 31	4.353	July 15	4.483
Aug. 30	4.349	June 30	4.506
Aug. 29	4.341	June 15	4.484
Aug. 28	4.353	May 31	4.474
Aug. 26	4.363	May 15	4.566

Select 1933-34 Officers For I. B. A. of America

Robert E. Christie, Jr. of Dillon, Read & Co., New York, has been nominated by the board of governors of the Investment Bankers' Association of America as president for 1933-34. This selection is considered equivalent to election.

Other officers selected by the board subject to election are: vice-presidents: G. W. Bovenizer, Kuhn, Loeb & Co., New York; R. A. Gardner, Mitchell, Hutchins & Co., Chicago; Henry Hart, First of Michigan Corp., Detroit; Edward Hopkinson, Jr., Drexel & Co., Philadelphia; Donald O'Melveny, Union Bank & Trust Co., Los Angeles; executive vice-president, A. H. Little, Chicago; treasurer, Cloud Wampler, Lawrence Stern and Co., Chicago; secretary, C. L. Felske, Chicago.

East Kootenay Power Income Lower in July

From Our Own Correspondent

MONTREAL. — East Kootenay Power Co. subsidiary of Power Corp. of Canada, reports a gross revenue of $32,654 and a net operating income after expenses of $22,447 for July last. This compares with a gross income of $37,422 and a net income of $26,775 for the same month last year.

For the four months ended July, 1933, East Kootenay's gross revenue totalled $113,541, operating expenses $45,031, and net revenue $88,510. For the corresponding months of the previous year the company had a gross income of $142,489 and net revenue of $97,399.

National Steel Car Directors Re-elected

Directors of National Steel Car Corp. were all re-elected at the annual meeting of the company held on August 29. At a meeting of directors held following the annual meeting, all officers were re-elected.

Directors of the company are R. J. Magor, Hugh N. Baird, Russell D. Bell, D. B. Dewar, F. E. Meredith, K.C., Glyn Osler, K.C., W. E. Phin. Officers are: R. J. Magor, chairman of the board and president; Hugh N. Baird, R. S. Hart, vice-presidents; Charles W. Adam, secretary and treasurer; Abram Van Hassel, assistant secretary and assistant treasurer.

Dominion Steel Secures Nail Order from Britain

From Our Own Correspondent

MONTREAL.—Dominion Steel and Coal Corp. has received an order for 1,000 tons of nails for the British market. This is the first business of its kind in more than 14 years. The nail mill at the Sydney plant will begin production on the order immediately, employing about 130 men.

Public Utility Earnings

East Kootenay Power

	1933	1932
July—		
Gross revenue	$32,654	$37,442
Oper. expenses	11,207	10,667
Net income	22,447	26,775
Four Months Ended July—		
Gross revenue	$113,541	$142,489
Oper. expenses	45,031	45,090
Net income	88,510	97,399

Railway Earnings

10 Days End. Aug. 31

	1933 $	1932 $	Change $
C. P. R.	3,526,000	3,730,000	—204,000
C. N. R.	4,837,927	4,405,013	+482,914

Tax Collections Index of Municipal Credit

Authority Outlines First Principles for Municipalities to Maintain Good Credit Record — Taxes Must Not Be Beyond Citizens' Ability to Pay

By THOMAS BRADSHAW
President, North American Life Assurance Co.

Thomas Bradshaw, an expert on municipal finance, formerly finance commissioner of Toronto, and now president of the North American Life Assurance Co., recently delivered a paper before the Ontario Municipal Association recommending changes in municipal financing. The Financial Post publishes the first section of his comment below. Remaining sections will be published in early issues.

In a recent article in one of our leading financial papers (The Financial Post) there appears the following statement:

"In a period that has had few parallels in all the history of the past for prolonged depression of business, commodity and security values, the obligations of Canadian governmental and municipal borrowers have stood the most rigid test of adversity without failure to pay interest and principal when due. Defaults there have been, but with very few exceptions the amount of bonds involved has not been great, nor have any of the defaulting borrowers been cities of first rank—of a total of some $1,363,000,000 of municipal obligations in Canada it is estimated that not over $80,000,000, or about 6 per cent is in default on either principal or interest."

This is a commendable record, made possbile through the substantial increase which has taken place in the Dominion's population during the last 50 years; through the tremendous growth of national wealth which forms the base of all taxation, through the willingness on the part of property-holders to be taxed and through the response made to the levies necessary to carry these immense debts. Truly it is a record which every elected representative and official should strive his utmost to maintain.

The Immediate Past

How can this record be maintained?

To act intelligently and wisely, we cannot ignore events of the past few years. Prior to 1929 there were voices declaring against the steadily increasing growth of municipal expenditure, the steadily increasing burden of debt and of taxation. But there were others—more vociferous, if not experienced—which loudly proclaimed a new economic era, an everlasting prosperity which had come to stay, and consequently were prone to disregard entirely the mounting costs of municipal government. It is hardly necessary to enquire which was right.

An Infallible Test

There is one test which may be applied to any municipality, and which will inform us more certainly concerning its financial condition than any other single one, and that is—"The amount of unpaid taxes." This one item indicates whether councils are imposing upon taxpayers, year after year, a load of taxation beyond their capacity to pay. It also shows whether they have mortgaged, by way of debenture debt, the properties of their citizens beyond their ability to meet the debt charges which they carry.

No individual municipality will be mentioned, but let us take ten of our major cities. In 1928 the average per capita arrears of taxes was $11.67; four short years later, or in 1932, this had increased to $18.82, or by no less than 61 per cent. Again, in three municipalities which have recently defaulted, tax arrears increased from $20.62 in 1928 to $50.52 in 1932, an increase of 145 per cent. Can our record of financial integrity be long maintained if this continues? The fact is that some of those in whose hands lie the government of our municipalities have either failed or neglected to recognize that since 1929 we have been fluctuating in a heavy sea, and it is necessary to reef our sails in order to meet the changed conditions.

One of the main reasons why our municipalities have been able to obtain money freely and at such reasonable interest rates to carry out their improvements and undertakings, is their good name and high credit standing, reflected in the general view, entertained by investors, that a municipal security, being a trustee investment, represents almost the minimum of capital risk. If this is doubted, capital will quickly seek other channels for investment.

It would be an interesting study and experiment if councils would instruct their treasurers to prepare annually for each member a statement setting forth yearly records of per capita arrears of taxes for say the past ten years, both for their own municipality and also for other municipalities, the latter for comparative purposes. Such an exhibit might serve as an excellent chart for some years to come, and also an indication of the relative position of each community as compared to others.

Assessment

Another important factor which determines the soundness of a municipality's affairs is the assessment—the basis upon which taxes are levied. No greater ground for dissatisfaction and dissension can exist in a municipality than an unfair and inequitable assessment. The assessor should be a man beyond suspicion; he should be efficient and capable in determining values. In the discharge of his duties, he should be freed from all outside influences, including members of councils. His duties are defined in the Act, and in discharging them he should have the moral support of the administrative body.

Then, again, the assessment must be a live assessment; it must be a revenue-producing assessment, that is to say, when the mill rate is determined and the tax levied on it, it should produce the revenue intended to cover the current expenditures of the municipality. In an Ontario municipality whose affairs were recently investigated, it was found that on 35 per cent of the assessment no taxes had been paid for about three years. Notwithstanding this, successive councils estimated the assessment to be 100 per cent revenue-producing, based the year's expenditures on that assumption, and made no allowance in the budget for non-collection of revenue from dead assessment. This had continued for some years and, when the assessment roll was recently purged, it was found that $1,017,305, or 76 per cent of the total accumulated tax arrears which had been carried in the balance sheet as a sound asset, had to be wiped out. It is unfortunate that this had to be done in a single year. Sound municipal practice demands that the record shall be cleansed each year and the non-revenue producing assessment eliminated. It is suggested that an additional statement be prepared annually for council showing for the past ten years the percentage of each year's levy which has been paid. If it is a decreasing percentage, there is undoubtedly accumulating an undue volume of dead or non-revenue producing assessment which should be eliminated.

Current and Capital Finance

There are two sections of municipal finance—current and capital—each of which has its special features and each of which should receive careful consideration if we are to maintain our previous record. Reference will be made first to current finance:

Budgeting

The budget is the chart for current revenue and current expenditure. Its preparation should be the first undertaking of the incoming council. A great deal of the preliminary detail should be carried out by the permanent officials early in the new year. It is believed that no sound reason can be advanced why the budget should not be prepared, considered by council and passed by the end of January. Any number of excuses will be forthcoming that this cannot be done, but they all disappear if there is the desire and the will to do it. The books and accounts of the previous year can be closed, reconciled, audited and the balance sheet completed by the 20th of January. The longer this is delayed the greater will be the difficulty in completing it. Practically all our banks, trust, loan and insurance companies have their annual statements compiled and audited within ten days after the close of the year.

Early consideration of the budget is important for the following reasons:

1. It enables the administration to readjust the expenditures promptly in accordance with changing conditions. It is well known that some councils permit unwarranted expenditures to continue until the end of May simply because of delay in bringing down the year's budget. Expenditures start on the first day of the year and, in the intervening four or five months, disbursements have been incurred which do not conform to any budgetary scheme.

2. Early budgetary enables the collection of the year's revenue to synchronize more closely with the year's expenditures. Tax bills are sent out earlier. The first tax payment date should be some time in May, which would minimize bank borrowing.

3. Promptness and competency on the part of the administration enhances the credit and reputation of the municipality. On the other hand, laxity in these matters tends to breed laxity throughout the whole administrative staff and even throughout the community, thereby resulting in a lack of pride on the part of citizens and a dilatoriness in meeting their tax obligations.

Expenditures

If our municipalities are to maintain or better their past financial record, the administration must insist that the year's expenditures shall not exceed the year's revenue. It is not sound finance to close the year with either a bank overdraft, or with a number of accounts payable. In other words, the municipality should live within its income. This is not an idealistic or theoretical aim, but is one which our best municipalities carry out and which can be carried out by all municipalities.

It is recognized that practically no municipality collects 100% of its taxes within the year that levy is made. It is also recognized that practically no municipality spends less than 100% of its estimated expenditures. The course then to pursue in order to make income balance expenditure is to include in the levy for "uncollected taxes," an amount representing the approximate shortage on collection according to past experience. In the first year that this principle is adopted there will be a somewhat higher mill rate, but in succeeding years it will be lower, owing to all payments received on account of arrears being carefully husbanded. These would be available as revenue for the next year, and in addition there would be less to borrow and consequently smaller charges for Bank interest.

As an illustration, we shall take one of our Ontario Municipalities which did not provide for "uncollectable taxes," and thus practically year in and year out permitted yearly expenditures to exceed yearly revenue. It became such a usual state of affairs that councils and officials accepted it as the common practice—an 80% current collection was regarded as satisfactory—then 75%—and even 70% did not cause alarm. Arrears and bank loans piled up. In 1927 only 60% of the taxes levied were received and by 1931 this percentage was only 30%. Tax arrears mounted until at the close of 1931 accumulated arrears represented 156% of the 1931 levy, and bank borrowings had increased to 94% of the 1931 levy and about 60% of the total arrears. This municipality today is in default; and its downfall is directly traceable to a complete disregard of the principle that applies to corporations and governments as well as individuals, that yearly expenditures should not exceed yearly income.

Ability to Pay

Then again if we are to maintain our municipal integrity we must have regard to the ability of those taxed to pay the impost placed upon them. The conception that the ratepayer represents an inexhaustible source of revenue must be eradicated. Are there signs that our municipal taxes are becoming greater than what the taxpayer can meet? It is feared that this is the case, because in a group of some twenty-three Canadian municipalities only 78.4% of current taxes was collected in 1931, and in the following year the percentage had declined to 73.3%. The following statement in this connection, from the Citizens' Research Institute is worthy of note:—

"Municipal, including school expenditures, must be brought into line with the ability of the taxpayers to pay, if municipal credit is to be protected against the trend of mounting tax arrears. The Institute is glad to state that an increasing number of Canadian municipalities have realized this and have reduced their 1933 budgets. The necessity, however, is for even more widespread and drastic action in this regard."

Decreasing Assessment

In some municipalities particularly those which have shown considerable growth in recent years in population, assessment, debt and services, a situation has arisen of an embarrassing character. Instead of the usual annual increase in assessment, decreases have taken place and additional decreases are in prospect. Business and income assessment especially have fallen. The effect has been and will be to narrow the base for taxation. If expenditures continue even at their present level, it will be necessary to increase the tax rate to obtain the same revenue. To avoid this most undesirable step expenditures must be decreased and, in a number of instances must be substantially lowered to bring the tax levy within the ratepayer's lessened ability to pay.

Tax Collection

An efficient system of tax collection is indispensable. Should not the official charged with the duty regard himself as analogous to the accountant in a mercantile or industrial concern in charge of Receivables? His duty is to see that bills receivable are paid promptly when due, and that when open accounts are payable, customers will settle. Upon failure he immediately takes steps to obtain satisfaction. He knows that the longer the bill or account is outstanding the greater is the likelihood of loss. Moreover that official's efficiency is more or less judged by his ability to effect collections. He recognizes that bank borrowings have been made because of credit which has been extended and his object is to decrease his firm's borrowings at the earliest possible time in order to preserve its credit and save interest charges. Many of our municipal officials do regard their duties in this light with the result that in such cases arrears of taxes are kept down to a minimum, bank borrowings and interest charges are unknown or very light, and in addition community pride and interest is developed and sustained.

Practical Principles

Adherence to the following practical points has been most helpful.

1. Budgets considered and settled not later than January 31st.
2. Taxes made payable in two or three installments, either May and September 1st or April, July and October 1st. Income is thus made to synchronize closely with expenditures, heavy bank loans are avoided and interest charges minimized.
3. A studied system of discounts for payment for second and third installment with the first, and penalties for failure to pay any installment when due.
4. An efficient system of tax collection and records.
5. The use of the machinery provided in the Ontario Municipal Act to enforce the payment of taxes.
6. A well organized plan on the part of councils, citizens and newspapers to popularize prompt payment of taxes.
7. The lower the rate at which the levy is set, the greater will be the percentage of taxes collected.

Expert Urges 20 Points To Aid Municipal Credit

By THOMAS BRADSHAW
President, North American Life Assurance Co.

It may be well to emphasize some of the points which it is believed are especially worthy of consideration and application, and which will assist in maintaining our municipal record and credit:

1. Increase in municipal debt must be halted—that now existing can and should be decreased.
2. Assessment, the basis of the whole municipal structure, must be sound and almost 100 per cent revenue producing. Provision should be made in the budget for non-collectable taxes. Properties of delinquent taxpayers should be eliminated yearly and the roll freed from dead assessment.
3. The budget should be completed by January 31 in each year.
4. Expenditures for the year should not exceed cash receipts for the year. There should be no debit bank balance at the end of the year.
5. The first installment of taxes should be payable as early in the year as possible, say the first of May.
6. The aim should be to collect taxes in the year in which they fall due. The accumulation of large arrears undermines the municipality's credit and is often the indication of approaching financial difficulties.
7. Bank borrowings and bank interest should be kept down to a minimum. Bank loans should be necessary only in the first three or four months of the year pending receipt of the first installment of taxes.
8. Current deficits should never be funded. If such a rare condition should arise the deficit should be levied for in the succeeding year.
9. Relief debentures, if justified, should not be for more than five years, and for only 25 per cent to 50 per cent of the net cost of the year's relief.
10. Educational costs must be reduced—and they can be.
11. Local improvement debt should be incurred only when absolutely essential and well within the benefitted ratepayers' ability to pay, as well as that of the general ratepayer.
12. Public utilities' operations should yield a profit after all operating charges, depreciation, interest and principal.
13. Guarantee of bonds should not be countenanced. Subsidized bonds are not a sound method of financing.
14. Capital debt should be incurred only when a corresponding useful and necessary capital asset is acquired.
15. The installment method of issuing bonds is the only safe and sane way of issuing debentures for municipal purposes.
16. If bonds are issued by the sinking fund method the annual levy must be made, turned over to the fund, invested immediately and in only the highest grade of securities.
17. Adequacy of the sinking fund should be tested annually and certified to by the auditors.
18. Municipal debentures should be payable in Canada only. It is doubtful if the added marketability in making payment in United States or Great Britain is compensation for the risks of exchange.
19. Municipalities must adhere to the terms of the debenture contract. Technical equivocation must be avoided.
20. Municipal accounting should be efficient and in capable hands. There should be a continuous monthly audit.

Farmers' July Receipts Almost Double '32 Figure

Cash receipts by farmers in July from the sale of wheat and other grains, livestock and butterfat were almost double the amount recorded in July a year ago and only slightly smaller than the total for the previous month, according to a monthly compilation of the W. Sanford Evans Statistical Service, Winnipeg. Approximately $14,000,000 was received in July compared with $7,600,000 a year ago and $15,000,000 in June.

Largest contribution to the July, 1933, total was wheat with $8,640,000. Other grains accounted for $2,352,000 and butterfat for $1,341,000.

Cote Garneau Open Montreal Branch Office

From Our Own Correspondent

MONTREAL. — Cote-Garneau Ltd., investment bankers of Quebec City, have opened a branch in Montreal. Offices have been secured in the Montreal City and Districts Savings Bank Building on St. James Street.

Bond Sales

County of Lanark

County of Lanark, Ont., has sold $35,300 of five per cent, 20-year installment debentures to Harris, MacKeen & Co. at 101.21, a cost basis to the county of about 4.85 per cent. Bids were as follows:

Harris, MacKeen & Co.	101.21
Griffis, Fairclough & N.	101.07
McLeod, Young, Weir & Co.	100.86
Robinson, Douglas & Co.	100.71
R. A. Daly & Co.	100.54
C. H. Burgess & Co.	100.53
Gairdner & Co.	100.51
A. E. Ames & Co.	100.38
Matthews & Co.	100.267
Rogers, Lynch & Co.	100.237
Dyment, Anderson & Co.	100.138
Stewart, Scully Co.	100.033
Wood, Gundy & Co.	99.81
Dom. Securities Corp.	99.77
Bell, Gouinlock & Co.	99.32
Tom Farmer	99.00

City of Longueuil, P.Q.

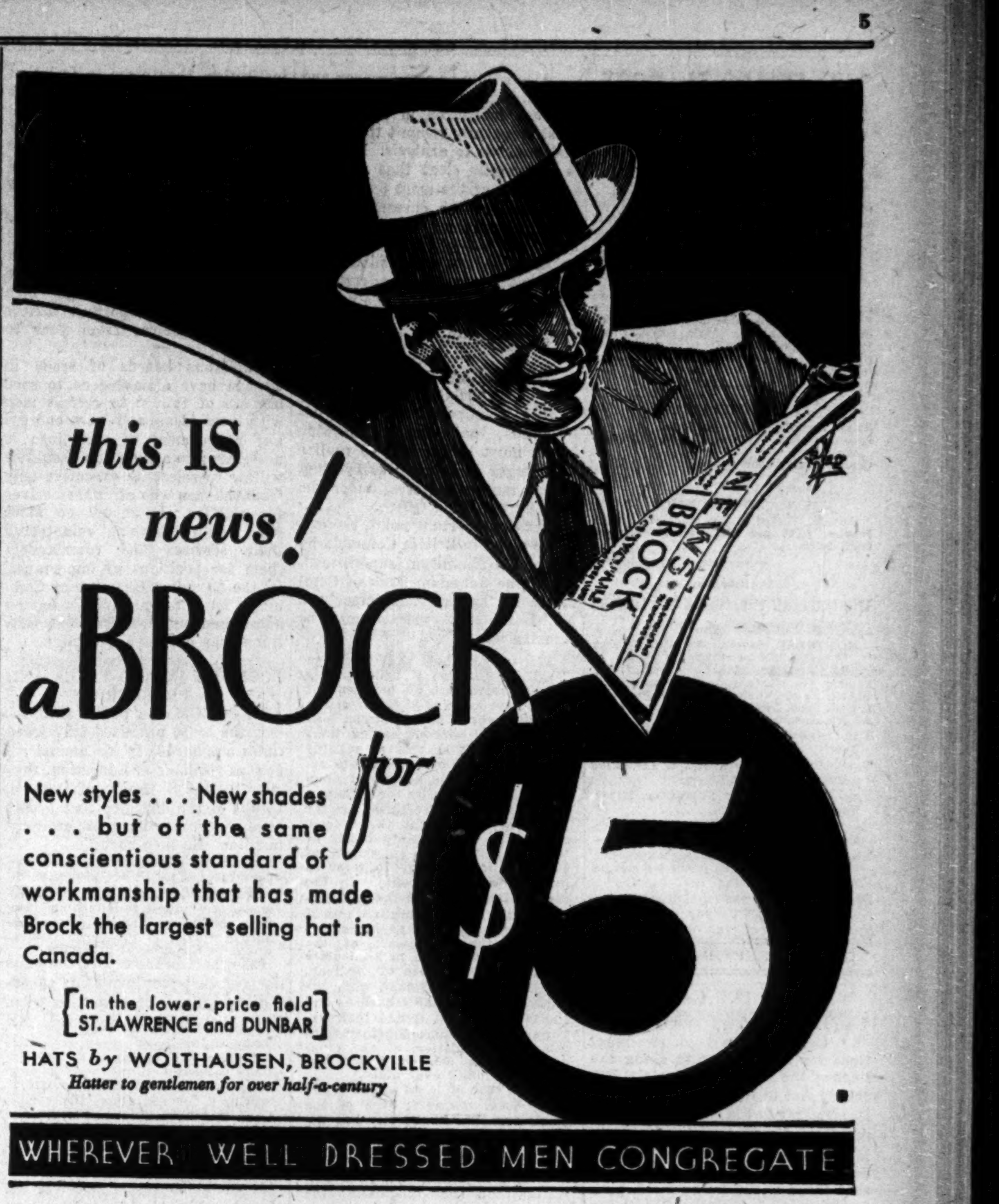
Rene T. Leclerc Inc. were the successful bidders for the $90,000 5¼ per cent 10 year bonds of the city of Longueuil at the price of 97.11. Other bidders were as follows:

E. Savard Ltd.	96.88
L. G. Beaubien & Cie	96.52

Weekly Recor' of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Provincial—							
Alberta	Aug.	Wood, Gundy & Co., and syndicate	5%	1955	$2,000,000	93.37	5.525%
Municipal—							
Lanark County	Sept.	Harris, MacKeen & Co.	5%	20-yr.	35,300	101.21	4.85%
Longueuil, P.Q.	Sept.	Rene T. Leclerc Inc.	5½%	10-yr.	90,000	97.11	.....



this IS news!

a BROCK for $5

New styles . . . New shades . . . but of the same conscientious standard of workmanship that has made Brock the largest selling hat in Canada.

In the lower-price field ST. LAWRENCE and DUNBAR

HATS by WOLTHAUSEN, BROCKVILLE
Hatter to gentlemen for over half-a-century

WHEREVER WELL DRESSED MEN CONGREGATE

Carriage Factories Earned Net $6,834

Carriage Factories, Ltd., showed a net income of $6,834 for the year ended July 31, 1933, before providing for income war tax. The deficit account at the beginning of the year stood at $680,244 and now stands at $673,410.

The capital stock of the company consists of 12,008 7 per cent cumulative preferred shares of $84 each, less 380 shares held in trust, and 12,000 shares of $100 par value common stock. The dividends on the cumulative preferred stock have been in arrears since August 1, 1915. The last payment was $1 per share partial payment in August, 1931, and action may take place again in September.

The company reported cash of $2,819, accounts and notes receivable of $69 and $4,500 due by a director. The current and accrued liabilities were $2,931, consisting of taxes, $305, and amount due preferred shareholders $2,626.

Australia, Argentina Lead World Wheat Shipments

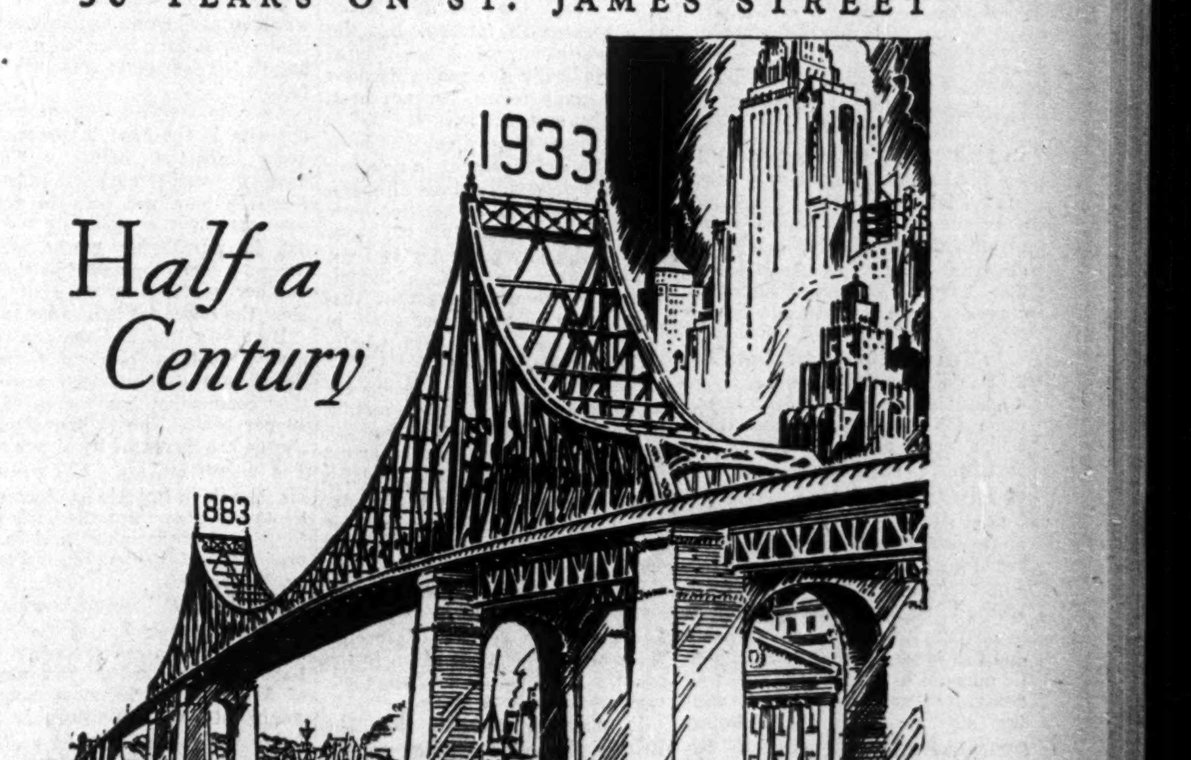
World shipments of wheat for the week ending August 28, amounted to 11,522,000 bushels compared with 9,622,000 for the previous week and 7,960,000 for the same week last year. Over half of world shipments originated in Australia and the Argentine. North America reported shipments of 4,475,000 bushels which exceeded shipments of the previous week by one million. Russia again cleared a small amount of wheat.

During the first four weeks of the present crop year world shipments have amounted to 39,014,000 bushels compared with shipments of 29,158,000 for the same weeks last year. The increase this year as compared with last is due entirely to a heavier movement of wheat from the Argentine and to a lesser extent from Australia. Argentine shipments during the past four weeks have exceeded those of the corresponding weeks of 1932 by about 10 million bushels.

North American shipments have been lower during the past four weeks than during the same weeks last year, shipments amounting to 15,441,000 bushels compared with 18,648,000 during the corresponding period in 1932.

Bond Tenders

Sept. 18 — School Commission of Palmarolle, P.Q.—$5,000 of 6 per cent 5 year bonds. Object of loan: to consolidate floating debts. E. Begin, sec.-treas.



50 YEARS ON ST. JAMES STREET

OF INVESTMENT BANKING

DURING the course of fifty years as investment bankers, Hanson Bros., Inc., has played a prominent part in many important developments. Among these are some of the leading public utilities of the Dominion. Railways, harbors, street railways, power companies, industries, to serve larger and ever larger communities, have employed the firm's facilities to provide capital needed for development, and the firm's operations have extended throughout Canada and beyond its borders.

Some of the early financing undertaken by Hanson Bros. included:

Quebec and Lake St. John Railway Company, 1888;
British Columbia Southern Railway Company, 1892;
Ottawa and Gatineau Valley Railway, 1893;
Royal Electric, forerunner of Montreal Light, Heat and Power, Cons., 1894;
New Westminster and Vancouver Tramways, first issue, 1895;
Halifax Electric, 1895; and *People's Heat & Light Co.*, Halifax, 1897;
London Street Railway, 1896;
Pontiac and Pacific Junction Railway, 1897 (now owned by the C.P.R.);
Montreal Water & Power Company, issues from 1898, onwards (now municipally owned);
Quebec, Montmorency and Charlevoix Railway (now owned by Quebec Power), 1898;
Inter-Provincial Bridge at Ottawa, 1898 (now owned by the C.P.R.);
West Kootenay Power & Light Company, original issue, 1898, and all subsequent issues.

• • •

This month Hanson Bros. is celebrating its Fiftieth Anniversary, with a half-century of national progress recorded within its experience. A booklet entitled "Fifty Years on St. James Street" has been prepared, and a copy will be sent you, on request.

HANSON BROS
INCORPORATED
INVESTMENT BANKERS — Established 1883
255 St. James Street, MONTREAL
56 Sparks Street, OTTAWA
330 Bay Street, TORONTO

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Member Audit Bureau of Circulations

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Vice-President—HORACE T. HUNTER
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Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor, GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director. Telegraphic address, Atabek, Lesquare, London.

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TORONTO, SEPTEMBER 9, 1933

NO NRA FOR CANADA

WHEN Mr. Bennett urges Canadians not to be impatient for an experiment along the lines of the National Industrial Recovery Act in the United States he is speaking with level-headed directness. Mr. Bennett's address in Montreal confirms the news despatches in The Financial Post that there would be no NRA plan for Canada. It is well; NRA is far from proved and the fact that the administration at Washington is already seeking ways and means of bolstering up its weaker props suggests that there is some merit in Prof. T. E. Gregory's description of the experiment as a "dog chasing its own tail," which like most epigrams is a little more cruel than is completely justified.

Some permanent good may be salvaged from the NRA experiment, and if such proves the case, Canada may find a few phases of the programme to apply to this country. But there need be no rush to apply the whole programme, with its many manifest weaknesses, of which the dictatorship of bureaucracy is not the least, to this country. Wise are the words of the Winnipeg Free Press when it says:

> "All the 'copy cats' in Canada are fascinated with what is going on in the United States and there are loud cries that we should get busy and emulate the Washington performance. But this is certainly a time for us to pay deference to the Asquithian motto 'Wait and see.'"

ADVERTISING PROVES ITSELF

RECENTLY, there appeared in the London Times a very provocative letter by Samuel Courtauld, a member of the famous rayon manufacturing family, belaboring advertising as an economic waste. The burden of Mr. Courtauld's complaint was that advertising was an additional cost which had to be passed on to the consumer and that it, therefore, did not perform a useful economic function. At the same time he alleged that there was a great deal of waste in advertising as well as a great deal of misrepresentation.

Mr. Courtauld's letter brought many additional comments from readers of the Times. The correspondence did not reveal any fresh truths in regard to the question of advertising which was probably due to the fact that the broad public purpose of publicity is now well recognized and the public is willing also to grant that because some advertisers overstep the boundaries of good faith, because others waste a large share of their appropriation in ineffective advertising, and because advertising is sometimes set to do a task for which it is ill-fitted, the necessity of advertising in our modern civilization is not to be denied.

The London Times has full justification for its remark that "advertising in many forms is purely indispensable to modern civilized life."

From the economic standpoint the question that is most important to the average man as a consumer and as a worker is whether or not advertising, either alone or in conjunction with other means, is the cheapest method of selling. The evidence is unmistakably clear that good advertising does reduce the cost of distributing goods and it, therefore, must be regarded as an economic institution which more than carries its load in the world.

Advertising adds velocity to business. It speeds up the process of introducing to all interested persons new ideas, new processes and new articles or services. It abbreviates the gap between extensive handicraft production and economical mass production methods. Thus, it makes it possible for the average man to enjoy more quickly the fruits of scientific investigation.

All these points were clearly brought out by various correspondents who replied to Mr. Courtauld's attack. Yet criticism of advertising is not to be ignored. Even the best of institutions must be constantly on guard against the enemies within of complacency and short-sightedness.

Those interested in advertising must frequently commit their aims and methods to analysis. For if it is abundantly clear that advertising is one of the most useful contributions of the current generation to producers and consumers alike, it is also obvious that all advertising is not good advertising and that any waste in advertising must in the ultimate analysis be paid for by the general public, whom it is designed to serve.

DECENTRALIZATION OF CREDIT-GRANTING

THE Winnipeg Free Press declares that our nation-wide banks must be brought to realize the danger of keeping everything, except routine matters, under the hand of the Head Office.

On this important point, the evidence given in British Columbia by Mayne D. Hamilton, superintendent of the Canadian Bank of Commerce in that area, is important. Mr. Hamilton's evidence may be summarized:

> He stated that the Canadian Bank of Commerce had roughly 150,000 borrowers, 85 per cent of which have loans of $1,000 or under. Any manager of the bank can loan up to $1,000 without asking their superintendent so that as regards 85 per cent of borrowers, the refusal of a loan is dependent upon the attitude taken by the manager. Ninety-six per cent of loans are for $5,000 or under and these come within the discretionary limits of the superintendent. In excess of $5,000, it is necessary to refer to headquarters in Toronto. In the case of loans, beyond the jurisdiction of the superintendent where it is necessary to have an immediate decision, the particulars of the loan are telegraphed to head office including the purpose of the loan, the source of repayment, what the banker knows of the securities and the people behind it and their experience with them together with the recommendation of the manager and an answer is received from head office over night.
>
> In the case of loans under $1,000 every local manager, even of the small branches in the city has the power to refuse or grant credit up to that amount. In the towns, the power of the local manager varies according to local needs. In a town of 2,000 or 3,000 inhabitants the manager may have jurisdiction up to $5,000.

This makes it quite clear that our banking practice makes ample provision for "decentralization of credit-granting machinery" as demanded by the Free Press.

Facts of the character brought out by Mr. Hamilton are useful. The public is entitled to have them and the banks benefit from bringing them out. There are many other points of criticism of the banking system which call for similar categorical data from the banks.

THE ENTHUSIASM FOR SILVER

NOTHING seems to dampen the enthusiasm of those who want the governments of the world to "do something for silver." The recent world silver agreement, viewed as a marketing agreement in connection with a commodity, was not without interest but it was no victory for the bi-metallists and it added little to the prestige of silver as a backing for money. But the silver agitation, which has bobbed up periodically for many decades and in many forms, has not been stilled by any means.

The theory that silver has been one of the chief culprits in creating the depression will not die although most independent authorities have shot the argument full of holes. One of the latest reports is from the Brookings Institute of Washington, which concludes that theories of the importance of silver in the world depression are wholly without scientific proof.

One of the chief arguments for remonetizing silver and raising its price is that by so doing the world could raise the economic status of the Far East, chiefly China where silver is the monetary base. But the decline in silver has operated in China much as the decline of the Canadian dollar in relation to other exchanges has operated in Canada. Each process has made the service of foreign loans difficult but has given to the country involved an exchange advantage in export trade.

It may be recalled that the British Economic Mission to the Far East in 1931 urged stabilization of silver on the ground that its depreciation had made it more difficult for China to buy British goods, and had endangered the position of British loans in China. The report frankly stated that if it continued it would hasten the growth of industries in China, the manufactures of which would compete with imported products from Great Britain.

The demand that silver be stabilized in order to help the Chinese is not really very sincere. The chief propagandists for higher silver prices have been the silver mines and those who want to sell to or compete with China.

But whether China itself would or would not be helped is another story.

MUST COMMANDEER NEW LEADERS

THE Canadian Chamber of Commerce, which is the co-ordinating agency for some 200 Canadian boards of trade, East and West, is making plans to hold its annual meeting in the fall. This means that thought is being given to the names of the men who will be proposed for the coming year's executive. The enthusiasm of Canadian business men for this institution—so wide in scope and so great in opportunity—can be stimulated if the Chamber brings some newer blood to its directing force.

The gravest peril that besets any large society or institution is that the "willing horses" will be allowed to carry the load. And after a while the willing horses get to like it and, in more than one institution, they come to feel that pulling the load is their job, not to be lightly shared with any one less experienced. In their very attempts to protect the ideals and objectives of their association they serve it ill, for without realizing it they lessen its pace unduly.

The Canadian Manufacturers' Association suffered for many years, still suffers but to a lesser extent, from the fact that one fairly restricted group of men divided up the important offices among themselves from year to year.

Numerous boards of trade in Canada have almost gone to seed because of failure to recruit men with new ideas and new energy. For recruitment of such men is necessary; no association should be willing to select its executive only from the men who offer themselves for election. It should go after good men who have not volunteered their services and commandeer them for positions of importance. Of the Canadian Chamber of Commerce let it be said that it has on more than one occasion done this. But it has not done it enough.

ECONOMY IN BAD TIMES AND IN PROSPERITY

IS ECONOMY in public affairs a virtue to be practised only when times are hard? In his annual report as Minister of Education, Premier George S. Henry, of Ontario, speaks of the difficulty that people have had in meeting their ordinary taxation. He then adds:

> "This has forced curtailment of expenditures, a result not wholly without good effect, since it would be manifestly unwise to launch out into new obligations and to increase a burden which, in prosperous times, would be the natural procedure."

Elsewhere in the report, the same thought, that ever increasing spending is popular with taxpayers when times are good, is repeated, Mr. Henry says:

> "*While the taxpayer in normal times is never hesitant to accept new obligations* and to make necessary sacrifices for education, the conditions that have developed with considerable and somewhat alarming force and which now appear to be at their worst have compelled him to insist on retrenchment."

It would be rather a terrifying thought if one had to believe that as soon as times get good again free spending by governments will be considered normal. But apparently the Premier of Ontario does not mean to imply that, for in his report we find this statement:

> "At this juncture all public bodies charged by law with the administration and support of education will be well advised to weigh not only present measures to curtail expenses but those which will apply to the future. It is commonly asserted, and not unkindly, that all modern communities and organizations have enlarged their expenditures to a greater degree than prudence dictated, and without due forethought of the lean years that that arrive periodically. *Notwithstanding the special claims of education, it too must be kept within the bounds set by the ability of the people to pay.*"

That is much more sensible.

REWARDS OF LABOR

A GREAT many people are concerned about the rewards paid to Labor. Most platform theoreticians argue that Capital has taken a disproportionate share of the rewards of production and that industrial profits have been too great to permit of adequate rewards for Labor.

As a matter of fact, quite the opposite is the case in practically every important industry. Wages have advanced remarkably since before the war, not only in actual cents per hour or dollars per week but in purchasing power. True there is unemployment but that is another matter, as we shall see. Here the reference is to wage rates.

Here is a typical Canadian commodity sold in Western Canada: Since 1914 the delivered price of this commodity has increased by 46 per cent. The railway freight charge has increased by 51 per cent. The manufacturers f.o.b. price at his factory in Ontario has increased by 45 per cent. But the basic rate for the common labor used in the production of the item has increased by 88 per cent.

One does not hear spokesmen for the western farmers or for other agricultural groups declaring that Labor is ill rewarded. As a matter of fact, one of the most common complaints of Agriculture is that Labor has refused to take a downward adjustment in its compensation which would permit manufactured articles to be brought to a price level within the range of the farmers' buying power.

The current theory in the United States is that increased wages will provide greater national buying power and that without wage increases there cannot be renewed prosperity. But while higher wages may enhance industrial buying power, they definitely limit and reduce the true buying power of primary producers such as farmers, fishermen, etc.

It is a very fine thing for our social system that wages tend upward and that Labor is gaining a substantial share of the benefits of improved methods of producing and marketing. But that Labor is gaining this benefit and is not being cheated out of the steady improvement that is its due, should be recognized more widely.

Of course to the man who has no job at all it may seem to be of small moment whether the basic wage rate is 40 cents an hour or $1 an hour. Unemployment has many basic causes but one of them, that is a forceful influence at the present time, needs to be kept in mind. It will merely be mentioned here. It is the fact that any attempt to maintain wages at a level out of line with the general economic situation simply reduces the true purchasing power of those whose incomes are more sensitive to price changes. If there were equilibrium between industrial wages and farm prices there would not be enough of an economic crisis left in the world to be noticeable.

POST-scripts

ONE of the best stories to come out of the World Economic Conference at London relates to the world-famous London bobby. It seems that at the time Jack the Ripper was the local cut-up, he confined his activities to an area centring around the South Kensington Museum. Citizens living in the area were naturally very nervous and in order to allay their fears, an extra squad of police patrolled the district. More than two score years later (when the exploits of Jack the Ripper had become a mere memory) the South Kensington Museum was selected as the home for the World Economic Conference. Elaborate preparations were made for the meeting and the question of police protection came to the fore. It was then discovered that no order had ever been issued countermanding the original order giving the South Kensington area additional protection against Jack the Ripper.

AN incident took place recently which makes us doubt if the Englishman is backward in merchandising his wares. Huntly and Palmers, whose name is known wherever English biscuits are served with tea, pack a specially sealed tin box for export to the "colonies." Upon opening one of these boxes, a small leaflet was found lying across the biscuits. The leaflet was about to be thrown away unread, but curiosity as to what Huntly and Palmers had to say about their own product led to it being read. Following is a copy of the company's message:

> "It will interest our customers in Canada to know that we are now buying Canadian lumber—a shipload at a time—for the manufacture of our packing cases.
>
> "The introduction of Imperial Preference in the spring of this year enabled us promptly to contract for Canadian wood, with the result that one of the largest cargoes of Canadian spruce received in London for many years has recently been discharged in the Thames.
>
> "This shipment consisted of 1,000,000 ft. and required 350 railway cars to transport it to our factory at Reading. These cars were drawn into our works by our own locomotives. The photographs reproduced give some idea of the very large quantity in question—a veritable town of Canadian timber has been built in Reading.
>
> "All the packing cases we are sending to Canada are made of this timber, and we are glad to advise you of this use of Canadian produce by the home country.
>
> "May this reciprocal trade increase to our mutual advantage."

We do not know if this leaflet is placed in all tins for export, or whether different messages are used in each of the Dominions with which Huntly and Palmers do business. It is immaterial, beside the fact that this is a convincing argument in favor of inter-Imperial trade.

Sayings of the Week

"Advertising's job is not done in a day or a year."—*E. B. Weiss.*

"If a man beats his wife he may have had provocation."—*Lady Astor.*

* * *

"To imply defects in another car is not our business."—*Henry Ford.*

* * *

"Mutual enrichment is a condition of individual enrichment."—*J. Ramsay MacDonald.*

* * *

"Communism is contrary to the teaching of Judaism."—*Rabbi I. J. Yoffrey.*

* * *

"This year's budget (in Great Britain) was balanced only in a Pickwickian sense."—*Sir Charles Harris.*

* * *

"The most popular of the vices at the present moment seems to me to be intolerance."—*Mr. Robert Lynd.*

* * *

"Man can weigh and analyze the farthest planet. Can he organize the one he lives on?"—*Maharaja Gaekwar of Baroda.*

* * *

"Keeping up with the Joneses has been the ruination of nations as well as of individuals."—*Prime Minister R. B. Bennett.*

* * *

"I sometimes think it is a pity that people travel in foreign countries; it narrows their minds so much."—*G. K. Chesterton.*

* * *

"If you load responsibility on a man unworthy of it, he will always betray himself."—*August Hecksher, New York real estate magnate.*

* * *

"Early Victorian society was open to all who were in the stud book, no matter how dull and dreary their minds might be."—*E. F. Benson.*

* * *

"When nations go into an agreement, it is for the purpose of getting what they can out of it."—*U. S. Senator Robert F. Wagner.*

* * *

"Not many heads of great banks have a contemplative mental habit; if they did, they would not be heads of great banks."—Frank A. Vanderlip.

* * *

"We have today a disturbed and aggressive Germany, besides which that of William II. was the embodiment of peaceful progress."—*Sir Charles Petrie.*

* * *

"The rise of the gangster has been due in no small measure to the growth of yellow journalism."—*Malcolm W. Bingay, editorial director, Detroit Free Press.*

* * *

"The return of liquor will divert an important share of America's mass purchasing power from essential commodities."—*W. W. Fry, president, N. W. Ayer & Son, Philadelphia.*

* * *

"One of the strangest features of modern civilization is the facility with which free and sovereign peoples adapt themselves to pay enormous taxes."—*Guglielmo Ferrero.*

* * *

"We are at one of those dramatic turning points in history when the path of progress lies clearly before us if only we have faith and confidence to take it."—*Raymond B. Fosdick.*

* * *

"A modern dictator is a demagogue who has to keep his ear even closer to the ground than the constitutional Minister, in order to retain the trust of his ignorant supporters."—*Harold Wright.*

* * *

"When St. Paul said 'I am a citizen of no mean city,' he was riding at the same gait that carried the British John Bull and the Babbit of the United States centuries later jogging down the lanes of history."—*J. Grafton Rogers, U. S. lawyer.*

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

A REVIEW OF WORLD AFFAIRS

WORLD trade is improving and in the opinion of J. Henry Schroder and Co., bankers of London and New York, there is reason to hope that it will continue to do so. The evidences of trade improvement have a special interest on this occasion, because it is peculiarly difficult to see why the improvement is happening. If it is largely based on the speculative lead given by America, there is some danger of a change of mood and reaction. If, on the other hand it has happened just because people all over the world are tired of being frightened and depressed and have definitely grasped the favorable features in the business position, which are very real, then the improvement may be relied on to grow by its own momentum. These favorable features are cheap money, plentiful food and commodities, a ready demand from consumers for finished articles that are offered to them on reasonable terms, and a tendency toward co-operation among certain groups of states, which has been made all the stronger by the breakdown of the World Conference. Above all, the natural human instinct that impels most of us to try to better our lot by work and enterprise is the safest foundation for trade revival. For years this instinct has been obstructed by political and other fears. Is it too much to hope that it is now reasserting itself, and is destined to bring back prosperity? This question the current quarterly Schroder review asks and discusses. Schroder's is one of the best banking reviews. The current edition contains the usual pertinent and valuable comments on the world situation.

* * *

AFTER outlining recent events in the United States and discussing their import on other countries, Schroder's says: "All the world is watching the American experiment with anxious eyes. If it succeeds, it will have been the most daring and triumphant venture in the economic history of the world. Even if it fails, Mr. Roosevelt will be able to claim that he did make a bold attempt, at a time of exceptional depression, to give the economic machine the jolt that seemed necessary to jerk it out of the rut in which it was stuck."

America is committed by her president to lowering the value of the dollar until prices have reached some level that has not yet been disclosed, and then keeping its buying power steady by means of a system of management, such as was formerly advocated by Mr. Keynes. Until he has got this policy firmly established, and set the wheels of American business whirling at the true American pace, he regards stabilization of exchange rates as an irrelevant detail, or rather as an inconvenient obstacle to his ambition

At the opposite extreme are the gold group, wanting to restore the links between currencies and gold. These appear to ignore the evils that have been inflicted on world trade by the mal-distribution of the metal, and the determination shown by the countries that have been driven off gold, not to return to it until measures have been discovered and agreed upon which will ensure that the gold standard, when restored, will be worked in such a way as to further prosperity and not retard it.

Between these extremes stands the British Government in an attitude of complacent inactivity and apparently hoping that this method by which it has won many diplomatic successes in the past may serve it well in the present crisis. There is some ground for believing that this hope may be fulfilled. In the meantime, the disappointment produced at the International Conference gives an opportunity to the "Sterling Group" to provide the world with a lead toward exchange stability within the area covered by the British Empire and those countries whose currencies are tied neither to the dollar nor to gold.

* * *

IN THE matter of wise suggestions Schroder's quarterly claims that the British Government made an excellent contribution to the work of the conference. The speech made by the Chancellor of the Exchequer on June 14 gave an admirable survey of the causes which had led to the depression, and of the measures needed to cure it. The first proposition that he put forward was the need for a recovery in the world level of wholesale prices. In order to bring about a recovery in prices, Mr. Chamberlain urged that action in various spheres would be necessary — the final settlement of Reparations and War Debts, the abrogation of exchange controls and the resumption of international lending, the coordination of production and marketing, the removal of prohibitions and similar trade barriers, and the reduction of excessive tariffs. In the monetary sphere, the fundamental condition of a recovery in prices was stated to be a policy of cheap money and the active employment of credit. "This, together with the revival of business confidence, must form the indispensable background of trade recovery." Cooperation among central banks was again urged by Mr. Chamberlain as necessary for the furtherance of these measures, and he pointed out that in order that their action might have the desired effect, the policy of cheap and plentiful money should be clearly announced and vigorously pursued. Particularly, the wider extension of what is known as "open market operations" should be developed by central banks. As to the active employment of credit, without which any increase in its volume is obviously useless, Mr. Chamberlain maintained that this depends on a general sense of security."

As to the conditions necessary to the restoration of the gold standard, Mr. Chamberlain laid down three—first the rise in the general level of wholesale prices, which he had already put forward as the first object to be aimed at by the Conference; second, an adjustment of the factors which had led to the breakdown of the gold standard—war debts, tariffs, exchange restrictions and other abnormal impediments to trade; third, that the gold standard should, in the future, be so administered that wide fluctuations in the purchasing power of gold (in so far as they arise from monetary causes) should as far as possible be avoided. As reforms needed to secure these objects, the Chancellor mentioned three which seemed to be essential. These were the withdrawal of gold from internal circulation, the reduction in the legal minimum proportions of gold which central banks were required to hold; and closer permanent cooperation between central banks.

Whether the business public, in Great Britain and other countries that have abandoned or been forced off the gold standard, would be satisfied by these conditions if they could be secured, is doubted by the writer of the Schroder survey. Opinion among British industrialists is highly suspicious on the subject of any return to the system to which they ascribe most of the difficulties that obstructed recovery in this country between 1925 and 1929. They would argue with good reason that reductions in the legal minimum reserves of central banks would be a quite useless reform, since the central banks of the gold-hoarding countries have long held reserves far in excess of the legal minimums. As long as creditor countries will neither lend nor spend abroad, there can be no hope for the satisfactory working of the gold, or any other international, standard; and a return to the free international lending and spending, that promoted the immense increase in world trade during the nineteenth century, is only possible if real co-operation is secured not only between central banks but between nations. As the bankers have so often pointed out to governments, political confidence is the essential basis of economic recovery. If we had real peace in Europe, all these monetary difficulties would wear a very different aspect, and America's "isolationist" policy would have much less justification.

(Continued on page 7)

As Others See Us

Some Good Advice

Grain Trade News, Winnipeg—"Liquidation of the Government's commitments must necessarily take some time, but should be speeded up. The idea of profit should be dropped, for even if price stabilization is a proper function of government, market speculation is not, and profits are no easier than for private individuals to realize." Such is the advice of The Financial Post in a recent outline of the Dominion Government's dealings in the wheat market. The point is well taken. The policy of the government in relation to the grain trade of Canada involves serious contradictions. In London the Prime Minister is negotiating to arrive at some basis for curtailing acreage. In Winnipeg the government's market operations are not at all clear, at one time they are reported to be selling their holdings and at another they are reported to be buying for stabilization purposes. It is practically difficult to attempt restriction of acreage and at the same time keep prices at a level where production might be encouraged. Might not Canadian wheat farmers follow the American cotton growers' example and adopt more intensive cultivation on their remaining acreage? In addition the government's market operations are another disturbing element in a situation complicated enough already. These disturbances do not help Canada to market her wheat.

"Stop Me If You Have Heard This One"

A number of old cronies were assembled in the smoke room of the Farmers Arms. Suddenly Smith turned to McTavish, who was rarely known to "stand his corner," and said:

"Angus, it's your turn to treat us all."

There were bursts of laughter from all parts of the room. When the merriment had died down McTavish grunted: "Oh! Now we're quits. Ye've all had a laugh at ma expense."

Other Peoples' Views

Nature May Take Hand

B. C. Forbes, in "Forbes Magazine"—Somehow, I am made to feel uneasy when I read that taxpayers are to be compelled to hand over many, many millions of dollars to pay cotton raisers to destroy millions and millons of acres of growing cotton and that wheat growers are to receive other millions of taxpayers' earnings for cutting down production. This feeling is not at all assuaged by the knowledge that cotton as well as wheat and other cereals are already selling at profitable prices and that cereal crop prospects are not inspiring. History reveals that Nature has a way of taking a hand when man attempts arbitrarily to frustrate her workings. I am haunted by a discomforting foreboding that Nature may wreak revenge and that before many moons we will be more embarrassed by scarcity than by overabundance.

But perhaps such imaginings are childish—anachronistic superstitions.

After the Conference

Hamilton Spectator.—The parting words at the World Economic conference remind us of nothing so much as a party of small boys whistling to keep up their spirits as they pass a haunted house. The World conference has degenerated into a society for mutual moral support. The world being in the state it is, the result is lamentable. But it was to be expected. As Floyd S. Chalmers says in The Financial Post, the conference had failed before it started. The main issue, as he justly states, was to replace economic nationalism with international co-operation, and the nations were not sold on co-operation. In recent years they have been drifting further and further apart from it. There have arisen prophets who have said that not too much protection has been the bane of business, but too little, that protection should be carried to its ultimate and logical conclusion, the ending of international trade, except by the government who might barter a few things with other nations. People in the United States are thinking that, so are people in Canada. The Dominion might be made a self-contained unit, gold being exchanged for grape-fruit or other foods impossible to grow in these climes. Such a system would be very different from the one we know, and might prove very unworkable.

It is tempting, however, because it limits the boundaries of our problem. We would not have to deal with unreasonable nations. Their tariffs, were they sky-high, would not concern us. We would trade among ourselves, making the necessary but very drastic adjustments. Paradoxes of international finance would not bother us. From the natural wealth at our hand we would build up a greater prosperity. It is a pleasant dream, but it is only a dream. Man cannot become prosperous to himself alone. Eventually envy will see to that. You cannot build a paradise and tell the rest of the world it cannot enter. Enter it will, if only to tear down what you have built. Enduring prosperity does not lie along the way of complete international co-operation, absolute freedom of trade, nor in perfect isolation, but somewhere midway between the two. That golden mean may yet be found. May perchance be sought at the adjourned World conference. But of one thing we are sure today: there was no real attempt to find it in the session just closed.

Critics at the Bat

St. Catharines Standard. — An analysis of any of the cynically clever speeches which invariably contain a class appeal, made by Miss Macphail, will reveal an absolute poverty of any constructive suggestion toward Canadian Utopia. In a period of world depression, in which Canada inevitably is submerged along with other countries, the Philpotts, Macphails and others, have a big inning. They are at bat now. The bleachers are cheering. But the crowd is fickle always. Economic recovery which is not being facilitated by the agitators will change the whole picture. Another inning or two may reverse the score. This throwing of pop bottles into the diamond only retards the contest.

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Business Conditions in Canada

The Week in Business

Business Better

CONTINUANCE of a steady trend toward more active business in Canada is reported for the past week by Dun & Bradstreet. As evidence of this are cited: increasing carloadings, higher bank clearings, decreased unemployment, rising prices, and larger retail sales.

Of retail sales it is reported that larger volume is being obtained but that low-priced goods continue to receive most demand. A larger number of tourist visitors to Canada in the last week, partly due to the Canadian National Exhibition, has stimulated sales of smaller items of wearing apparel, jewellery and novelties, according to this report.

There has been a "surprising increase" in the number of encouraging reports from small industries in all provinces that are beginning to feel the stimulus of increased business, the commercial agency states.

In Western Canada business conditions indicate a tendency to improvement. In some sections it is hardly noticeable, but in others it is marked. Manitoba is reported to be suffering heavily from crop damage, and retail sales in Winnipeg and other centres show little improvement as a result. On the other hand, northerly sections of Alberta report conditions decidedly better, this being reflected in retail sales. Main lines of business continue to show moderate improvement in British Columbia. With the exception of Manitoba and parts of Saskatchewan, sentiment is reported much better in the four Western provinces.

Canadian conditions are so largely affected by those in the United States that it is worth noting that in the week ended Aug. 30 American business showed its fourth successive week of declining activity, according to Dun & Bradstreet. The retrogressive parade of statistics was led by price indices, followed by steel production, electric power consumption, and bank clearings. Canada did not get quite as sharp a stimulation from optimistic expectations of recovery as did the United States, and as a result may not suffer as large intermediate sinking spells.

* * *

Would Reduce Tariffs

RESIGNATION of Raymond Moley as Assistant Secretary of State in the United States is being generally ascribed in the press to differences of opinion between him and Secretary Hull. It has been inferred that from now on the views of the Secretary of State are more likely to prevail in United States' economic relations with other countries. If this interpretation is correct, one would naturally expect that the international policies of the Roosevelt administration will now undergo some changes, the Journal of Commerce, New York, points out in a recent editorial.

Secretary Hull generally is credited with standing for maximum international co-operation for the restoration of world trade through the reduction of tariffs and related measures. Up to the present time, the economic policies of the administration have been directed toward making this country dependent on foreign nations to the smallest possible extent.

If the departure of Mr. Moley from the United States administration is an indication of the shift in the country's basic policy from extreme economic nationalism toward co-operation with other nations, it must be regarded as a favorable omen.

* * *

U. S. vs. Canada Hog Programmes

A REPRESENTATIVE of The Financial Post asked one of the leading executives of a large packing company in Canada whether the U. S. Government's programme of purchasing 5,000,000 hogs is apt to have any repercussions in Canada. He thinks it will not have an immediate effect.

The United States Government proposes to buy 4,000,000 pigs weighing from 25 to 100 lbs. at from 6 to 9½ cents a lb. and 1,000,000 sows soon to farrow (weighing a minimum of 275 lbs.) at the market price on the day marketed plus a bonus of $4. Meat packers will be asked to process these pigs and the meat will be distributed to the needy in the coming winter. This immense programme will be paid for by $55,000,000 obtained by a processing tax on the hogs which will go into effect September 30. The levy will be paid by those who turn the swine into marketable pork and will be less than one cent a lb.

Secretary of Agriculture Wallace thinks this programme will reduce the total tonnage of swine marketed for 1933-34 season by 1,800,000,000 lbs. or about 16 per cent of the hog tonnage annually marketed in the United States. It is also a part of this programme to take 20,000,000 acres of corn out of production in order to adjust the supplies of corn which are used mainly as feed for hogs.

The Canadian executive referred to stated that in his opinion this would have no effect on Canada, whatever. He admitted that in the end, in so far as the plan is successful in reducing the hog population of the world, which is not at a peak, it would be good for Canada in world markets. The United States did a good business some years ago in Great Britain in hams but the chief competitors of Canada now are Denmark and other continental countries of Europe. The passing of so many pigs out of the picture may prove an encouragement also to the Canadian farmer to continue feeding pigs. That is necessary if Canada Packers, which has now a more thriving business than ever it had, is to keep the British market open for the Canadian product. Incidentally the fine working capital position built up in recent years by Canada Packers is a great help.

STOCK TRADING AFFECTS JULY DEBIT VOLUME

Montreal, Toronto, Winnipeg Account for Big Increase Over June

Canadian bank debits in July continued the uptrend of May and June and with a total of $3,528,000,000 exceeded the figures for any month since October, 1930. Not since July, 1929, has the volume of financial transfers in the form of bank debits been as great as it was in July, 1933. Important gains were made in both Montreal and Toronto as activity in the stock markets reached a peak but chief feature was the sharp increase in Winnipeg influenced by heavy trading on the grain exchange. Gains in these three centres accounted for $543,719,000 of the month's gain of $545,400,000.

After seasonal adjustment, the July figures for Winnipeg showed an increase of over 85 per cent on the June total; the actual figures being $831,700,000 in July and $410,990,000 in June. The gain for the Dominion was 46 per cent after seasonal adjustment. The Maritimes showed a slight decrease of 0.7 per cent; Quebec a gain of 10.3 per cent; Ontario a gain of 17.6 per cent; British Columbia a gain of 2.3 per cent. July, 1933, debits were 62.2 per cent ahead of the total in July, 1932, for all Canada while the gain for the first seven months of the current year as compared with the same period in 1932 was 13.7 per cent. In the first four months of the current year debits were under those of the same months in 1932.

Other Indexes Improve

Not only was July the third month in which general increases were shown in the volume of debits but the indexes of physical volume of business and employment in manufacturing plants moved up 2 points in July; the index of wholesale prices was up 70.5 as compared with 67.6 in June; index of common stock prices was up by 11.5 per cent and index of shares traded on the Montreal Stock Exchange was up to 328.9 from 279.0. Percentage of bank debits in July to bank deposits at the end of June was 183.6 which compares with 116.8 in the same month of 1932.

Out of 32 clearing houses, 21 registered gains in July debit figures over the same month in 1932 while 20 showed increases over June, 1933, figures. Comparison of monthly figures by clearing houses is as follows:

1. BANK DEBITS TO INDIVIDUAL ACCOUNTS AT THE CLEARING HOUSE CENTRES OF CANADA, JULY, 1933, WITH COMPARATIVE FIGURES FOR JUNE, 1933 and JULY, 1932

000's omitted

Provinces and Clearing House Centres	July 1933 $	June 1933 $	July 1932 $
Maritime Provinces—			
Halifax	22,820	21,454	24,055
Moncton	5,492	5,975	6,180
Saint John	14,664	12,658	15,938
Total—Maritime Provinces	42,976	40,087	46,173
Quebec—			
Montreal	865,124	824,986	587,632
Quebec	45,049	49,200	54,285
Sherbrooke	5,908	7,058	5,532
Total—Quebec	916,081	881,244	647,449
Ontario—			
Brantford	8,118	7,091	8,532
Chatham	5,908	5,791	4,309
Fort William	4,082	4,238	5,426
Hamilton	43,000	46,926	40,147
Kingston	5,406	4,820	5,373
Kitchener	8,460	9,370	8,124
London	28,669	29,915	28,838
Ottawa	124,634	148,667	132,619
Peterborough	4,982	4,455	4,819
Sarnia	8,442	7,106	8,816
Sudbury	3,911	4,265	3,124
Toronto	1,158,167	1,075,291	708,838
Windsor	19,898	17,246	16,964
Total—Ont.	1,423,675	1,365,181	975,929
Prairie Provinces—			
Brandon	2,883	2,285	2,723
Calgary	68,683	55,415	34,624
Edmonton	34,261	34,472	28,920
Lethbridge	3,437	3,028	3,016
Med. Hat	2,259	1,845	1,743
Moose Jaw	5,156	3,988	5,620
Pr. Albert	1,515	1,581	1,682
Regina	45,072	30,832	35,899
Saskatoon	9,214	7,929	8,824
Winnipeg	831,695	410,990	264,716
Total—Prairie Provinces	999,174	552,315	387,765
British Columbia—			
New W'minster	4,770	4,051	4,575
Vancouver	117,791	119,202	91,744
Victoria	23,357	20,335	21,954
Total—British Columbia	145,918	143,588	118,273
Grand Total for Canada	3,527,824	2,982,417	2,175,590

1933 Construction Total Smallest Ever Recorded

Judged by the First Eight Months, 1933 Will be Lowest Since 1911 — Replacement Demand Being Built Up — Building Materials Prices Rising

While the construction contracts awarded in August amounted to the second largest monthly total of the year, the figure of $9,479,900, compiled by MacLean Building Reports, represents a very low rate of activity in the industry. With the summer months now almost past, it would appear that it will be next spring before any distinct revival in building and construction takes place in Canada unless the totals are stimulated by some Government scheme to promote public works.

Judged from the totals for the first eight months of the year, it seems probable that awards for 1933 will be the lowest recorded since these figures were first compiled in 1911. In 1932, the total value of contracts awarded amounted to $132 million and this year it now appears that a figure of $70 million will hardly be reached.

The above annual totals may be compared with the average value of building contracts between 1924 and 1928 which amounted to $384 million, or with the average for 1911 to 1929, which amounted to $292 million.

Quebec Leads

Quebec led all the provinces with a total of $3,586,600, in August, followed by Ontario with $2,894,700. British Columbia was in third place with $1,682,500. Totals for Alberta and Manitoba, while small, showed an improvement over July.

Some authorities view the situation and see little hope of revival even in 1934, but others are more optimistic. Among the latter, the current monthly letter of the Royal Bank of Canada has this to say:

"It seems evident that in spite of the apparent surplus of residential space in most Canadian cities, at the present moment a latent shortage of considerable magnitude is accumulating. Moreover, renewed expansion of industrial activity will lead to demand for types of factories and utility development dependent upon the industries which participate most actively in that expansion. This view is in direct contrast with the opinion that Canadian cities are overbuilt and that a long period of building retrenchment lies ahead. The mistake of being too pessimistic as to the future, during a depression, is almost as common as that of being over optimistic during a boom.

"It is clear that many residences, apartments and flats are still in use that would be torn down and replaced under more normal conditions. When income has been reduced and wages are declining there is a strong tendency for many people to live with relatives. It is almost impossible to estimate the extent of over-crowding among wage earners and the unemployed during a depression. Some indication of the extent of this phenomena may be obtained from the rapid increase in demand for residential space during a period of recovery.

"While there are vacancies in many offices and stores in the cities, a large number of firms are occupying less space than they expect to use under normal conditions, and for the present at least, there are a good many firms who are willing to put up with old and inefficient buildings rather than to increase their rents by moving to adequate offices at a time when earnings are below normal.

"The total building shortage now accumulating must amount to at least $100 million a year and may amount to as much as $150 million. The trend of expansion in Canada is strong. It will re-assert itself as soon as recovery is well under way. The present period of temporary quiescence must soon be offset by increased activity.

MacLean Building Reports bases its optimistic outlook on the fact the index of the price of building materials, compiled by the Dominion Bureau of Statistics, has definitely turned upward. The low point of 75—the base being 1926 equals 100—was reached in April, while the July figure is 81. "When this upward trend is realized by the public, there will be an acceleration in activity in order to make the most of the abnormally low prices now obtaining in all lines," MacLean's monthly report states.

EMPLOYMENT GAIN OVER 15 PER CENT SINCE FEBRUARY

More Persons Employed Than in 1932 at Aug. 1

Employment in all industries in Canada at August 1 was higher than at the same date of the previous year, the first time that this has been recorded since the start of the 1929 depression. Employment in manufacturing industries also showed a good gain at August 1, payrolls on which this is calculated increased 2.6 per cent.

Based on the returns of 8,261 firms, the index number of the Dominion Bureau of Statistics for all industries rose from 84.5 at the beginning of July to 87.1 at August 1, the base for the index being 1926 equals 100. Since the spring there has been an increase of 104,000 persons in the payrolls of co-operating firms, this increase representing an addition of 15 per cent to the ranks of the employed.

Activity increased in all five economic areas, employers in Ontario and the Prairie Provinces taking on the greatest number of extra workers. Employment in Ontario, however, was not at a higher level than at August 1 a year ago, although this was the case in the other four areas

Toronto was the only one of the leading cities to report curtailment of employment at August 1 compared with the beginning of the previous month, although Quebec and Windsor failed to advance. Summary of employment in the eight leading cities for which separate tabulations are made by the Dominion Bureau of Statistics and for the Maritimes, in which none of these cities are located, is as follows:

Maritimes—Sixth successive monthly increase reported at August 1. Manufacturing was slacker, but highway, railway and building construction were more active.

Montreal — Total payroll increase against the usual seasonal trend, construction and manufacturing being the chief contributors.

Quebec—No change reported, manufacturing being more active and services slacker. A decline was reported at August 1 a year ago.

Toronto—Seasonal decline reported. Manufacturing was brisker while telephones, services and retail stores released employees.

Ottawa — Gains were reported in manufacturing and highway construction while other groups remained at July 1 levels. A year ago a loss was reported.

Hamilton—Losses in iron and steel were more than offset by gains in textiles and some other lines. Large decreases were noted at August 1, 1932.

Windsor — Little change reported from July 1. Automobile factories slightly reduced their staffs. Employment was in greater volume than in 1932 or 1931.

Winnipeg—Construction, communications and manufacturing all made small additions to their staffs while other groups remained at the July 1 level.

Vancouver — Manufacturing, road construction and trade showed improvement; building was slacker. Reductions were indicated a year ago.

Coke Output in July Well Ahead of 1932

Production of 144,812 tons of coke in Canada during July was the second highest monthly output reported for the year to date, being only exceeded by the 150,350 tons of January. The tonnage for July showed an improvement of nearly 7 per cent over the previous month and 14 per cent over July of a year ago. Output in the western provinces at 13,189 tons showed little change as compared with 13,299 tons in June but the tonnage made in the eastern provinces advanced to 36,625 from 30,846 and in Ontario to 94,998 from 91,401.

During the month 43,387 tons of Canadian coal and 154,597 tons of imported coal were carbonized to make 144,812 tons of coke. For the first seven months of the year output of coke totalled 953,622 tons as compared with 968,821 tons during the corresponding period of 1932.

New Industries and Plant Extensions in Canada

Compiled Weekly By The Financial Post

Standard NRA Products Canada, Limited, newly incorporated Canadian subsidiary of Standard Products of Cleveland, Ohio, are leasing 8,000 square feet of floor space in Toronto, where they will manufacture automotive parts and assemble and finish a well-known bicycle of English make. It is stated that within three months, assembling of British motorcycles will be added to the operations. W. C. Atkinson, is president of the new concern, J. S. Reid and John Newell of Cleveland are directors and Norman J. McIlveen, is sales manager. The parent company has a manufacturing branch in London, England, and a sales branch in Paris, France.

Platinum Products, Limited, has been formed as the Canadian subsidiary of Platinum Products Corporation of New York, N.Y., and has established headquarters in Toronto for the assembling here of high-grade cigar and cigarette lighters for distribution in the Canadian market.

WORLD AT LARGE

(Continued from page 6)

It was this basic fact which made the work of the conference so difficult and almost doomed it in advance to failure. It was discussing symptoms and details, and leaving out the real disease, which is nationalism based on suspicion, hostility and fear.

* * *

WHEN the House of Commons was able to discuss the conference the debate showed that there was a strong feeling in the House in favor of a bold policy for the stimulation of trade activity, in spite of all its attendant dangers, rather than one of waiting for improvement to manifest itself. No reason is apparent, says the review, for the British Government's change of mind with regard to Governmental public works as a stimulus to trade. When the British Prime Minister conferred with Mr. Roosevelt a communiqué was issued in which appropriate programmes of capital expenditure were mentioned as a desirable contribution to the stimulation of enterprise. Setting forth British policy on the opening of the conference, Mr. Chamberlain referred in terms which seemed to be sympathetic to measures of this kind, but no attempt has been made to quicken the turnover of credit, and relieve the burden of unemployment, by any action along these lines. On July 13 Mr. Runciman said, "We have terminated our scheme for dealing with the unemployed by way of capital expenditure works, and we shall not reopen these schemes, no matter what may be done elsewhere."

Mr. Runciman's declaration was inconsistent not only with the conclusion arrived at by the Prime Minister, in conjunction with Mr. Roosevelt, but also with Mr. Chamberlain's statement concerning the need for the resumption of international lending, as one of the measures required to bring about a recovery in prices. Even if the British Government has determined to abandon public works as a remedy for unemployment, it need not, says the Schroder economist, have followed that it should close the London market to foreign borrowers who wished to raise money for this purpose. Formidable difficulties stand in the way of any resumption of international lending, owing to the shocks that have lately been suffered by investors in foreign bonds; and a reopening of this system, which was so important a factor in pre-war prosperity, seems to be a measure that might have had active support from the British Government.

"Its attitude on this point was all the more unfortunate, because the need for public works is almost the only point on which a certain amount of agreement can be found in all the groups into which monetary opinion is split. America is extensively committed to this method of reducing unemployment. Italy has already practised it on a great scale and without serious damage to her finances. Germany is said to be planning a great scheme of roads for rapid motor transit; and above all France, once second only to England as an international provider of capital, is favorably inclined to public works as a means to a recovery of enterprise in Europe."

The British attitude has thus been one of flat refusal to adopt a remedy for which a large section of public opinion at home is favorable, and which is being tried or is about to be tried by many of the countries with which co-operation is evidently desirable. But in one respect, though she has been careful to say nothing about it, possibly because our rulers have not noticed the fact, she has been putting into practice an expansionist policy on a very large scale. This is in the matter of the inflation of purchasing power. Inflation is used in many senses in these days, but one of its most usual meanings is an increase in the amount of money in the hands, or in the bank balances, of the people. In this sense this country has inflated very handsomely, as a glance at the balance sheets of the commercial banks sufficiently shows.

This monetary expansion in England is in strong contrast with what has been happening in America, where, during the four months since President Roosevelt took office, the volume of outstanding credit has actually been reduced, so that the entire increase in America's economic activity has been due to enhanced velocity of circulation, reflecting a change in national psychology. There is thus a curious and suggestive contrast between the course of events in the two countries. In America, with its highly speculative and, as the psycho-analysts say, "suggestible" business public, the mere expectation of an expansive policy, directed by a man determined to dare all things in order to set the wheels of trade turning, sufficed to cause an active recovery in prices and in business, and to quicken the turnover of money at a time when its actual volume was being curtailed. In England, much more dependent than America on the activity of foreign trade and the general world outlook, and with a Government that regards discretion as far more important than valor, a substantial increase in the public's potential buying power has had less sensational but still considerable effects.

* * *

A LEAGUE bulletin notes the most cheerful news published by it since the beginning of the present depression. For the first time a decrease in unemployment, as compared with the previous year, was shown by a considerable number of countries; and the editor of the bulletin concluded that while it would be premature to infer that the worst of the depression was passed, yet the figures, and other economic indices, provide reason for hoping that the long-expected recovery may at last have begun.

There is no need to emphasize the importance of this evidence of widespread improvement. How far it has been brought about by Mr. Roosevelt's effort, and by the timely assistance of Nature, in providing a poor cereal harvest in the United States, it is impossible to say. But there can be no doubt that the spectacle of rising prices and increased activity in America has done much to promote a more enterprising spirit in other countries; and the improvement has been manifested even in those nations that are still on the gold standard, and so cannot be attributed to the effects of currency depreciation. In view of the fears and suspicions with which the American recovery is being watched by those who regard it as being unsoundly based, it is clear that the favorable movement of business elsewhere is of exceptional importance. For if those who foretell reaction in America are right, the effect of such reaction will be much less devastating, if, in the meantime, the rest of the world has found out that it is not as poor and depressed as it thought it was.

With regard to the position of British industry, though there has been so far no sign of improvement in the volume of exports, the general trade of the country, judged by the test of the unemployment figures, shows a very definite improvement.

Silver Fox in Lead

Silver fox pelts accounted for almost a third of the raw fur sales in Ontario in the 1931-32 season, some 20,082 skins having been sold for $559,284, whereas the sales value of all pelts amounted to $1,857,452.

Commodity Prices

	Week ending Sept. 2	Previous week	Same week last yr.
Cattle (cwt.)§	$5.00	$5.00	$6.20
Copper, lb.	.09	.09	.06
Cotton, lb.	.0945	.0960	.0890
Rubber, lb.	.0719	.0735	.0420
Sugar, raw, lb.	.0356	.0356	.0318
Silk, lb.	1.90	1.92½	1.90
Wheat (Man.) bu.°	.69⅝	.77	.54⅛
Hides, lb.	.14	.14	.07½
Coffee, lb.	.07½	.07½	.08¾

Weekly Indices

N. Y. Annalist‡	102.1	102.7	96.0
Fishers'	♦76.9	73.3	†62.0
N. Y. Journal of Comm.■	69.9	69.2	59.8
Crumps (Brit.)*	64.1	64.2	†62.4
U. S. Labor▲	69.3	69.4	65.4

†Average, 1932.
‡Week to Aug. 29.
*Week to Aug. 19.
▲Aug. 19.
♦Aug. 26.
§Aug. 31.
°Sept. 1
■Aug. 26.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (July)	70.5	67.6	66.5
Retail (July)	77.8	77.6	80.8
U. S. Labor (July)	68.9	65.0	64.5
Gt. Brit. (June)	68.6	66.9	66.2

‡Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk — Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (Aug. 26)	41,887	40,826	1,218,784	1,381,824
C. P. R. gross earn. (Aug. 21) $	2,171,000 $	2,331,000 $	65,441,000 $	71,930,000
C. N. R. gross earn. (Aug. 21) $	2,923,648 $	2,743,041 $	84,899,720 $	95,142,793
	Monthly			
C. P. R. net earn. (July) $	1,368,380 $	859,708 $	6,229,521 $	6,111,587
C. N. R. net earn. (July) $	820,466 $	208,708 $	‡2,158,515 $	829,076
Iron and Steel—				
Pig iron, tons (July)	31,689	7,317	67,899	84,518
Steel, tons (July)	49,076	27,506	179,540	207,994
Automobiles prod., No. (July)	6,540	7,472	44,802	47,141
Auto Vehicles—				
Passenger, sales, No (July)	4,569	3,473	30,091	30,716
Trucks & buses, sales, No. (July)	571	544	3,502	5,082
Auto exports, No. (July)	1,790	1,540	10,504	4,659
Construction—				
Building permits (July) $	2,082,302 $	4,412,169 $	12,189,591 $	28,753,213
Contracts (August) $	9,479,900 $	12,688,500 $	55,043,800 $	99,989,800
Newsprint—				
Production, tons (June)	171,419	161,368	894,181	1,004,248
Exports, tons, (June)	152,151	155,895	807,237	933,446
Sugar—				
Imports, raw, lbs. (July)	53,271,100	95,841,700	308,021,000	420,967,800
Melt. & ship., lbs.*	95,927,975	107,288,072	432,449,942	487,046,541
Manufactured, lbs.*	88,089,347	101,700,245	425,380,281	468,083,842
Flour—				
Production, bbls. (July)	1,322,923	1,201,965	7,565,309	7,134,414
Wheat flour exp., bbls. (June)	544,507	570,861	2,564,662	2,372,216
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (June)	94.70	110.68	342.48	407.98
Boots and shoes, pr (June)	1,965,647	1,559,192	8,823,892	9,129,585
Petroleum, imp. crude, gal. (July)	118,271,494	104,209,139	381,537,889	555,187,131
Cotton, imp., raw, lbs. (June)	7,440,000	4,486,000	40,766,000	50,103,000
Rubber, raw, imp. lbs. (June)	3,228,000	6,349,000	16,078,876	26,671,659
Coal, imports, tons (July)	1,239,698	1,054,454	5,170,187	5,445,332
Gasoline sales, gals. (May)	42,190,000	47,307,000	149,766,000	161,805,000
Trade—				
Imports (July) $	35,738,380 $	35,710,571 $	203,574,494 $	277,758,082
Exports (July) $	51,345,011 $	42,318,084 $	257,438,948 $	265,121,495
Wheat exports, bus., (June)	16,998,672	15,857,427	83,368,577	68,205,072
Labor—				
Employment Index (Aug.)	87.1	86.3	......	......
Electric Power—Output—				
M. Kilowatt hours (June)	1,370,913	1,200,098	8,082,053	7,947,948
Finance—				
Failures, No. (May)	175	204	981	1,061
Failures, Liabilities (May) $	2,616,800 $	3,148,067 $	17,027,069 $	17,427,169
Bank debits† (June) $	2,982,418 $	2,202,785 $	13,195,272 $	12,536,993
Bond sales (July) $	27,413,533 $	27,317,717 $	156,243,950 $	188,982,838
Insurance sales (July) $	30,255,000 $	34,469,000 $	208,373,000 $	253,002,000
Automobile Financing—				
Used cars (July) $	989,713 $	1,228,019 $	6,823,445 $	8,684,978
New cars (July) $	1,138,620 $	1,245,578 $	6,818,331 $	9,045,515

*Four weeks period, July 22 to Aug. 12. †(000's omitted). ‡Deficit.

ANNOUNCEMENT

CANADIAN VICKERS LIMITED take pleasure in announcing that they have acquired all sales and manufacturing rights formerly held by WILLIAM HAMILTON LIMITED of Peterborough, Ontario.

All key men of the executive and engineering staffs have been retained.

This continuity of personnel, together with increased plant facilities, ensures even better servicing of the former William Hamilton Products.

Enquiries will be gladly received.

MONTREAL CANADIAN VICKERS LIMITED P. Q.

(WILLIAM HAMILTON DIVISION)

VANCOUVER
BROWN, FRASER & CO. LIMITED

EDMONTON & DRUMHELLER, Alta.
GORMAN'S LIMITED

WINNIPEG
KIPP-KELLY LIMITED

NEW GLASGOW, N.S.
R. C. GRANT
MARITIME BUILDING

JOHN COTTON'S TOBACCOS

"Scotland's Best"

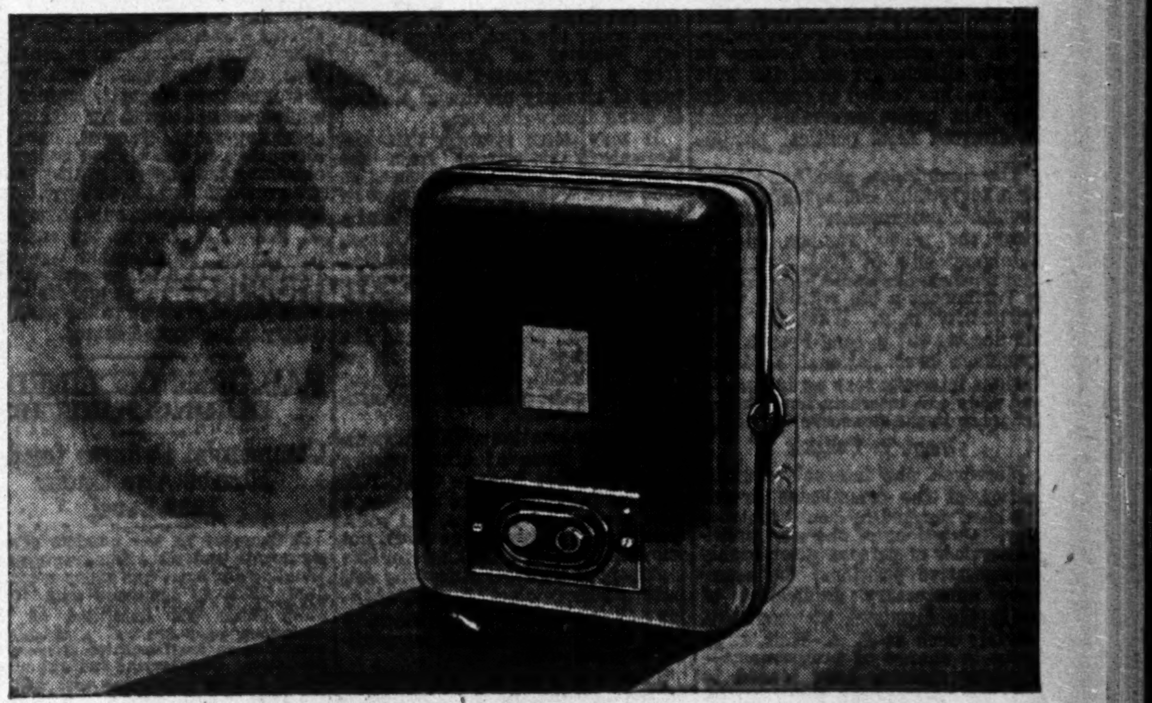
Mere adjectives will not do justice to this famous tobacco which is recognized by connoisseurs as the *world's finest*.

JOHN COTTON'S secret process of blending can not be equalled and makes it the friendliest, smoothest, mellowest tobacco you ever smoked.

In three strengths— Mild • Medium Strong

1 Ounce Tin - 25c
2 Ounce Tin - 50c
4 Ounce Tin - $1.00

11



It's the "*Hidden Values*" that Count

ELECTRICAL apparatus is judged by *performance*—and that depends on the "hidden values." For instance, take this new Nofuz De-ion Linestarter. Westinghouse engineers know that for long life, positive action, and absence of maintenance expense, it cannot be approached. They have proved this performance by breaking 5,000 amperes D.C. with the smallest size linestarter; by opening the contacts 50 times at 125 amperes, 690 volts A.C., and 53,000 times at 30 amperes, 125 volts D.C. Many years of research rest unseen in the special alloy of the non-welding contacts.

The Westinghouse reputation is built on these "hidden values"— performance more than promises. Learn the story of this new Nofuz Linestarter by returning the coupon.

Specify Westinghouse Control for your Motors

CANADIAN WESTINGHOUSE COMPANY
LIMITED
HAMILTON - ONTARIO

BRANCH OFFICES
Vancouver Calgary Edmonton Regina Winnipeg
Fort William Toronto Montreal Halifax

Westinghouse

8129

MAIL THE COUPON

Canadian Westinghouse Company, Limited,
Hamilton, Ontario.
Gentlemen:—
Check ☐ Please have your representative show me your new Nofuz De-ion Linestarter.
☐ Please send me a copy of your leaflet describing this new Linestarter.
Name ....
Company ....
Address ....
City .... Province ....
FP9

National Steel Car Corporation Limited

Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.

HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

NEW DEAL SEEN IN FEDERAL RADIO FOR NEAR FUTURE

Charlesworth Commission Due for Drastic Overhauling

TO REMAIN PUBLIC

Reported Decision to Revise National Radio Does Not Mean Private Ownership

From Our Own Correspondent

OTTAWA.—With the return of Premier Bennett and with the receipt by the Government of the Murray report on broadcasting, the future of the Radio Commission may be decided by the cabinet in the near future.

Political gossip, of the backstairs variety but none the less authentic and trustworthy, indicates that the present commissioners — Messrs. Charlesworth, Steel and Maher—have written failure over the policy of public ownership which was handed to the country, burnished and polished, in all its pristine beauty, just 18 months ago.

Either the policy has failed or those to whom its administration was entrusted have failed and a new radio deal for Canada is believed to be an inevitable consequence.

Type of New Policy

Nevertheless there seems to be a good deal of misunderstanding abroad. The interests who opposed public ownership in the beginning, who advocated a privately-owned monopoly under strict Federal supervision or ordinary private enterprise, are launching a new drive aimed to supplant the present policy with their own. Apparently they believe the public is sick and tired of commission control and would gladly welcome a different policy. But a close canvass of the Ottawa situation reveals that this is not a correct appraisal of the situation. Public ownership, it is true, has displayed all of the weaknesses expected and forecast by its critics but, nevertheless, a new form of state operation is indicated: not a complete reversal of policy.

Press is Disappointed

As to the failure of the present commission, a brief summary of the newspaper field will furnish adequate proof. At the outset many influential papers opposed the creation of the commission: other papers, equally influential, if not more so, supported public ownership. After some eight months of commission activity, all the press which originally criticized the policy are more confirmed than before in their antagonism. And the favorable press has gradually been driven away from the commission and into the camp of its enemies. In a newspaper sense, it is true today that the commission possesses few friends. The commission has lost just as heavily in popular favor as in the favor of the press.

Many Mistakes

The why of this unpopularity is not far to seek. The commission has made many costly and silly errors. To begin with the appointment of the commission—including Thomas Maher, ex-party organizer of Quebec—aroused the strongest suspicions of political partizanship. And subsequent actions, more particularly in the granting of licenses to private citizens for small 100 watt stations, has tended to confirm the fear that public ownership cannot be divorced from political patronage.

The commission, also, has stirred up a regrettable controversy by its French programmes. Laurier, after the school rumpus on the autonomy bills of 1905, remarked that never again would he introduce in Parliament a bill with the word "education" in it. When the commission set out to send French programmes over national hook-ups various interests rose up in arms—and they are interests not without influence in the Conservative party.

Inept in Politics

Moreover, the internal administration of the commission proper has been marked by acute controversy. Questions of the past political services of persons given highly remunerative positions; the seemingly unnecessary duplication of staff; the dismissal of prominent officials such as E. A. Weir, originally in charge of programmes—all these matters have tended to dim the prestige of the commissioners and undermine confidence in them.

Finally, the commissioners have proved themselves to be singularly tactless and inept in their public relations. For example the proportion of French programmes going over national hook-ups has been cut down but not until a political uproar occurred (the Prime Minister is said to have intervened) and not before more than one of the commissioners had vigorously defended the policy on the ground that 40 per cent of the population is French. The commission lost heavily both in the English and French-speaking communities.

Mr. Charlesworth, the chairman, has been most unfortunate in his public interviews and speeches. Asked at Edmonton a few weeks ago if many complaints regarding French programmes had been received, he was reported by the press as saying that a few letters had come in but they contained grammatical errors and apparently were written by uneducated people. Mr. Charlesworth is now reaping the bitter fruits in indignant orations from friends of the masses.

Now Beyond Succor

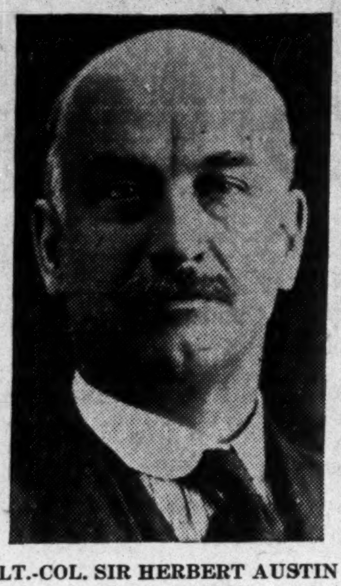
If there is any sin in the political calendar which the commission has not committed, Ottawa has not heard of it. If the commission had caught on with the public, by achieving a high standard of broadcasting at the outset, the personal slips and errors would not have mattered. But the common impression seems to be that the standard of commission broadcasting is lower than it should be. And general disappointment coupled with a legion of lesser indiscretions appear to have placed the commission quite beyond succor.

As to the future, few doubt that there will be a general housecleaning. The only question is, when? The Government is pledged to a parliamentary enquiry next session but with the Murray report in hand, the cabinet might move sooner and thus head off much criticism from opposition groups.

Between the lines of the Murray report it is apparent that the writer believes the policies of the present commission have been unwise. Murray recommends that commission control should be separated from the actual business of broadcasting. Yet today the commission is actively in charge of programmes, one of the commissioners being the chief of the programme division.

What the Murray report is believed, here, to commend, is a commission composed of outstanding men in the fields of education and commerce, acting without pay. Under them a general manager—an expert in radio entertainment—would be in charge of the broadcasting. It is rumored that if this sort of a commission were created, Murray would accept the general managership.

Interested in Canada



LT.-COL. SIR HERBERT AUSTIN Chairman of Austin Motor Co., Longbridge, Birmingham, England, whose company is establishing a chain of sales and services throughout Canada. Sir Herbert is recognized as one of the No. 1 motor magnates of the world. His Longbridge plant employs 14,000 persons.

U.F.A. AND TORIES SEEN IN ALLIANCE TO HOLD ALBERTA

Would be Logical Effect of Mr. Brownlee's Withdrawal

From Our Own Correspondent

EDMONTON.—Without waiting for the report of the Royal Commission on Banking and Finance, and the subsequent action of Parliament, Alberta is already assuming that there is going to be a central bank in Canada, that Premier Brownlee will give up provincial politics in order to become the Western member of the board of such a bank, and that a realignment of political forces in the province will result. An alliance of Conservatives and U. T. A. members under the Hon. George Hoadley, Minister of Agriculture, to form a government without the need of an early provincial election is being freely discussed

It may seem strange that Mr. Brownlee's retirement from the premiership should be discussed so soon after his rejection of a post on the Tariff Commission, in spite of a great deal of pressure from Ottawa to induce him to accept that office. But it is claimed that one reason the Tariff Commission post did not attract Mr. Brownlee was the lack of assurance of permanence, and the prospect that the Commission, as now organized, might disappear should there be a change of government at Ottawa.

Some combination of U.F.A. members with those of other parties seems probable, because the U.T.A. appears to have lost its vigor as a provincial political force, and without the premier's prestige would not provide attractive backing for the members of the legislature who will have to seek re-election. In Dominion politics the U.F.A. has officially gone over to the C.C.F. That weakens it provincially.

There would appear to be no great reason why the U.F.A. members in the legislature should seek alliance with Conservatives instead of with Liberals, except the personal factor resulting from the fact that Mr. Hoadley and a number of others prominent in the party are former Conservatives.

CAN. WINERIES OFFERING SHARES TO SHAREHOLDERS

"Rights" Offered on Basis One Share to Two Held at $6 Each

EARNING MORE

Plans Making of Champagnes and Ciders in United States With New Money

Canadian Wineries, Ltd., is offering its shareholders 50,000 no par value common shares in order to provide funds to establish itself in the United States at the proper time, if that should prove desirable, and to extend its business in other ways as conditions warrant. There are now outstanding 100,000 shares of a total authorized capitalization of 200,000 shares, and an additional 50,000 shares are now being offered at the rate of $6 a share to shareholders of record on September 11 on the basis of one new share to each two shares now held. The subscription privilege will expire on September 21, 1933.

Transferable warrants will be mailed to each shareholder after September 11, telling him what number of shares he can buy. The "rights" evidenced by warrants are transferable.

Rare have been the offerings of "rights" of industrial companies on the market since 1929 and this new offering will therefore draw considerable attention. It is understood that shares not taken up by shareholders will be placed under an underwriting agreement and that the sum of $300,000 desired by Canadian Wineries will be received.

Is Earning More

The company bases its appeal to its shareholders to increase their stake in the company on the following points:

1st, the company has earned something on its common stock in every year since the reorganization in 1930, when the company came under the present management and directorate;

2nd, during that period the company has to a large extent reconstructed its production facilities;

3rd, since the date of the last financial statement covering the year ended April 30, 1933, earnings have shown improvement and it is stated that the company is in a better position than ever in its history to take advantage of a period of improved business if that is to come at last;

4th, any relaxation in the laws governing the distribution of beer and wine in the Province of Ontario, as prophesied by some, to include the giving of hotel and tavern licenses again, would probably extend sales of the company;

Can Use Funds Here

5th, in the case of funds obtained from the present issue not being needed in the United States, the directorate sees ample room for use of the funds advantageously in Canada;

6th, the present plans with regard to the United States are concentrated on the chances of catering to the champagne and cider trade, which can be done with a modest outlay by an organization which has already achieved success in Canada with sparkling beverages.

It may be said with regard to the United States experiment that Canadian Wineries has kept in constant touch with the French wine manufacturers from whom it obtained the equipment in Canada for making of sparkling wines. They will have the advantage in the United States of obtaining some special grapes which are grown south of the international border but which can only be imported into Canada over the customs barrier at considerable expense. However, it is familiar with all the United States grapes and its chief wine maker grew up in the wine industry in the United States.

FAILURES DECLINED DURING JUNE, 1933

Commercial Failures for Six Months Also Under 1932 Level

A decrease in the number of assignments under the Bankruptcy and Winding Up Acts, was experienced in June, 1933, as compared with June, 1932, while the liabilities of the assignors also showed a decrease, according to the Dominion Bureau of Statistics. Commercial failures numbered 158, as compared with 179 in the same month of the previous year, and 175 in May, 1933. The liabilities of the assignors, amounting to $2,338,726 as compared with $2,616,800 in May, 1933, showed a decrease; when compared with $3,794,281 in June, 1932, a decrease is also noted.

The cumulative total of commercial failures for the first six months of 1933, was 1,139 as compared with 1,237, 1,109 and 1,205 for the same period of 1932, 1931 and 1930, respectively. The defaulted liabilities for the first half of 1933 were $19,355,795 as compared with $21,221,450, $22,853,013 and $26,408,325 respectively for the same periods of the three preceding years. Thus defaulted liabilities showed a considerable decrease when compared with the same period of 1932, 1931 and 1930. Number of commercial failures showed a decline as compared with the same period of 1932.

Commercial failures in trade for the first six months of 1933 were 604 as compared with 583,556 and 611 for the same periods of 1932, 1931 and 1930 respectively. In manufactures, there were 216 in 1933 as against 248,238 and 246 for the corresponding period of the three preceding years. Agricultural failures decreased from 98 in the first half of 1932 to 48 for the same period of 1933 and may be compared with 50 and 55 for the same period of 1931 and 1930.

The number of general stores failing in the first six months of 1933 was 94, as compared with 75 for the corresponding period of 1932. Fifty-eight grocery stores failed in the first half of 1933 as against 43 for the same period of 1932. There were 34 failures in fish and meat stores, 32 in boots and shoes, 45 in dry goods, 27 in drugs and chemicals and 21 in jewellery.

Maclean's Moves Merchandise

Maclean's is the most influential advertising medium in Canada. It cannot be classed with any other magazine.

The circulation of Maclean's is now more than 200,000 copies each issue, net paid, A. B. C. That it is read by an important proportion of the most substantial families in every English-speaking city, town and village throughout Canada is seen from the analysis of lists of subscribers available to advertising executives upon request.

Because it is issued on the First and Fifteenth, there are circulated each month twice as many copies of Maclean's as would be the case if it were a monthly.

On the newsstands each month there are sold approximately twice as many copies of Maclean's as of all other Canadian magazines combined; and the annual sale of single copies of Maclean's is ten times that of any other general magazine published in this country.

Because it is continuously alive in the consciousness of the Canadian people; because of the important coverage it gives of the substantial element in every community, as well as the standing it has with retail dealers from coast to coast; and because of its leadership in circulation, and in advertising lineage, Maclean's is recognized by advertisers and business people as occupying in Canada the position of influence accorded to Saturday Evening Post in the United States.

Men and Women

Each copy of Maclean's is read on the average by 1.6 men and 2.1 women — a statement made as a result of the findings from extensive questionnaires submitted to subscribers. Being read by men as well as women Maclean's gives to advertisers double coverage at one cost.

In addition, the cost per page per thousand in Maclean's is the lowest of any magazine in Canada.

Reaching the leadership element in every community; read by men as well as women; costing less for space; — there is every reason for Maclean's position as Canada's outstanding advertising medium — the first publication to be used, and the backbone of most successful campaigns.

Maclean's

· Canada's National Magazine

Circulation Now Exceeds 200,000 Net Paid A.B.C. Each Issue

Petroleum, Gasoline Imports Higher in July Than in 1932

Imports of crude petroleum in July totalled 118,271,494 gallons, compared with 121,120,617 in June and 104,209,139 in July, 1932. The imports came chiefly from the following countries: United States 77,678,436, Colombia 16,026,329, Peru 14,399,335, Dutch West Indies 6,129,521, Venezuela 3,714,406. In addition, there were 5,616,838 gallons of crude petroleum not in its natural state from Trinidad.

Casinghead gasoline imported in July totalled 1,619,847 gallons valued at $80,749, compared with 3,876,771 at $151,684 in June and 1,444,396 at $67,467 in July, 1932.

Tin and Alumina Imports Mostly from United States

The imports of tin in blocks, pigs, etc., in July totalled 1,818 cwt. valued at $91,316, of which 1,265 at $63,313 came from the United States and 553 at $28,003 from England.

The import of alumina, including bauxite, in July was 48,092 cwt., valued at $72,383, all from the United States. The quantity in June was 119,762 cwt. at $191,757, and in July last year 19,833 at $43,825.

Position of Chartered Banks of Canada as of July 31, 1933, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	%Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	34,128,900	49,889,498	9,000,000	5,701,945	136,288,742	386,266,977	60,670,177	3,285,124	1,635,898	7,107,161	263,535	6,264,327	1,488,312	729,706	38,000,000	36,000,000	776,720,308	50,000,000	36,000,000	8	1,727,022	17,861,547	60,736,932	36,550,008
Nova Scotia	11,223,423	477,227	3,214,000	571,999	34,186,953	133,075,070	35,054,271	2,133,471	192,208	2,010,801	304,772	5,831,266	113,636	15,703	24,000,000	12,000,000	264,404,805	15,000,000	12,000,000	12	2,952,352	9,305,149	8,995,217	11,662,664
Toronto	6,060,954	200,963	1,500,000	957,658	25,017,287	65,732,654	....	820,234	212,679	1,285,022	960,000	996,849	167,487	2,700	9,000,000	6,000,000	118,914,492	10,000,000	6,000,000	10	999,293	372,500	4,939,600	6,387,834
Provinciale	3,589,795	150,384	600,000	79,903	3,928,762	31,158,380		84	....	36,010	....	49,377	1,978	4,935	1,500,000	4,000,000	45,099,612	5,000,000	4,000,000	6	528,442	222,390	415,206	3,842,160
Commerce	23,931,504	130,021	7,000,000	3,283,250	113,770,466	283,658,452	40,540,554	2,024,717	726,931	6,976,917	52,950	11,771,178	....	14,652	30,000,000	30,000,000	553,881,598	50,000,000	30,000,000	8	4,655,496	11,693,000	21,268,000	25,612,925
Royal	30,055,366	1,325,961	9,000,000	7,301,611	122,582,483	262,957,721	160,979,666	723,097	693,340	12,403,021	387,037	19,998,660	118,211	18,780	35,000,000	35,000,000	698,604,962	50,000,000	35,000,000	8	2,486,090	8,706,861	21,467,750	31,498,307
Dominion	6,264,010	253,370	3,956,000	581,065	24,040,456	61,969,882	2,218,058	892,696	201,180	735,396	....	1,541,600	245,117	4,158	9,000,000	7,000,000	118,902,993	10,000,000	7,000,000	8	1,157,687	638,000	1,947,000	6,649,565
Nationale	8,622,769	433,774	13,700,000	2,553,630	16,782,331	78,936,779	1,133,576	750,152	37,917	190,533	....	280,776	....	4,002	7,000,000	7,000,000	137,426,243	10,000,000	7,000,000	10	382,131	920,414	1,042,758	8,966,739
Imperial	8,034,788	524,875	1,590,000	2,383,375	23,615,431	74,495,532	....	1,210,088	522,843	1,462,054	....	1,035,380	....	177,705	8,000,000	7,000,000	130,052,075	10,000,000	7,000,000	10	438,055	419,423	4,617,800	8,441,225
Barclays (Canada)	274,620	64,462	84,000	150,000	1,059,128	1,605,513	....	536,152	1,945,544	1,441,868	....	102,846	....	....	500,000	500,000	8,264,136	500,000	500,000	......	....	11,987	130,085	292,840
Total	132,186,129	53,450,535	49,644,000	23,624,436	501,272,039	1,379,856,960	300,596,302	12,375,815	6,168,540	33,648,783	1,968,294	47,872,259	2,134,741	972,341	162,000,000	144,500,000	2,852,271,224	210,500,000	144,500,000	......	15,326,568	50,151,271	125,560,348	139,904,267

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves*	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	17,687,318	66,835,840	2,717,137	348,985	24,995,678	431	3,585,839	48,536,421	240,671,241	42,719,588	10,261,851	5,731,592	26,204,746	186,144,358	13,460,633	6,394,993	47,150,732	4,247,432	537,185	1,213,724	14,500,000	6,264,327	1,589,618	7,000,000	116,623	81,770	778,988,073
Nova Scotia	8,913,161	10,267,222	1,001,042	1,987,529	8,045,491	....	894,103	4,813,722	55,779,246	19,053,308	7,494,714	14,652,217	1,539,205	90,100,265	11,659,306	2,485	9,657,301	887,288	....	101,936	7,816,496	5,831,266	577,244	1,250,000	2,767,565	100,640	265,192,761
Toronto	410,572	6,586,055	599,270	25,434	6,114,552	....	2,214,377	1,123,314	34,290,130	8,175,547	1,234,420	4,656,458	....	42,736,446	....	....	5,337,587	467,958	....	79,643	3,734,843	996,849	315,801	630,866	....	....	119,730,131
Provinciale	234,553	470,450	512,850	30,758	1,228,412	1,208,191	491	94,374	9,963,408	4,761,804	3,423,885	5,022,549	....	13,684,399	....	....	1,141,803	169,522	599,084	380,139	2,166,405	49,377	195,400	....	....	173,922	45,511,783
Commerce†	11,639,265	22,489,992	2,054,115	1,505,143	17,406,459	2,308	2,244,684	14,674,055	115,020,960	28,499,453	13,955,740	19,052,339	18,417,379	175,983,515	10,642,238	6,968,190	31,484,641	3,121,782	2,661,754	2,593,533	14,955,630	11,771,178	1,250,000	4,000,000	3,996,291	408,118	556,798,874
Royal‡	8,634,449	10,567,255	2,615,873	17,733,420	17,842,746	2,090	1,485,809	14,292,183	109,612,735	13,655,803	11,643,629	40,500,978	32,105,276	222,475,452	107,705,513	1,138,809	12,420,054	4,328,439	2,618,368	836,163	17,216,877	19,998,660	1,648,347	3,000,000	6,375,599	381,116	700,835,755
Dominion	641,885	8,568,043	714,275	60,487	4,930,557	....	327,070	975,294	26,875,530	5,692,656	2,528,329	7,089,007	2,018,811	52,711,356	770,734	....	1,514,447	398,874	61,194	27,284	5,981,173	1,541,600	329,625	400,000	....	137,071	119,305,313
Nationale§	928,742	1,110,948	866,790	64,712	3,531,370	360,338	71,642	703,167	28,130,632	14,557,588	3,529,643	5,269,883	....	49,066,553	47,758	5,541,058	13,139,468	412,872	1,224,968	665,276	6,019,797	280,776	377,774	2,200,000	....	62,270	138,164,034
Imperial	439,521	5,516,212	743,225	27,774	5,829,217	614,793	636,295	942,897	27,181,584	6,050,148	165,249	6,589,915	....	54,742,360	....	128,468	10,491,496	335,891	186,750	428,236	6,016,736	1,035,380	440,100	2,200,866	....	114,782	130,857,906
Barclays (Canada)	12,893	76,858	15,075	647	640,304	1,529,447	2,724,259	116,002	931,883	31,625	30,850	128,920	....	1,440,607	....	....	....	24,547	....	....	450,000	102,846	14,795	....	....	....	8,271,563
Total	49,542,459	137,488,975	11,839,652	21,784,889	90,564,786	3,717,598	14,184,569	86,271,429	648,457,349	163,197,520	54,268,310	108,693,858	80,285,417	889,085,311	144,286,182	20,174,003	132,337,529	14,394,605	7,889,303	6,325,934	78,857,957	47,872,259	6,738,704	20,681,732	13,256,078	1,459,689	2,863,656,19

*Of this deposit $5,181,732 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII · Member of Audit Bureau of Circulations · PUBLICATION OFFICE: TORONTO, SEPTEMBER 9, 1933 · 10c a Copy; $5.00 a Year · No. 36

SUGGESTS NEED OF EXPORT POLICY FOR DOMINION

Trade That Has "Just Growed" Now Needs Better Direction

COMPETITION KEEN

To Hold British and Continental Markets, Canada Must Send Continuous Supplies of Better Products

By J. K. ROSS-DUGGAN.
Editor, Canadian Trade Abroad

Mr. Ross-Duggan has just returned to Canada from his seventh visit to the United Kingdom and Western Europe. He made a two months survey of these territories for Canadian exports, visiting the United Kingdom, Germany, the Netherlands, Belgium and France. His experience includes 15 years sales promotion work in all sections of the Empire and many foreign countries. He will write several articles on export trade possibilities for Canada.

What kind of NRA does Canada require? A good cough medicine will not cure a sore finger. The United States declare that their exports, representing less than 10 per cent of their production, constitute a negligible factor in national recovery. The operation of NRA may kill their export business by high production costs. On the other hand, exports are the very life-blood of Canada. Perhaps a DEP—a Dominion Export Policy—is the answer to Canada's present emergency.

It is definite that an export problem challenges the courage and initiative of the Dominion today and calls for a constructive solution. Up to September, 1932, Canada had lost almost 65 per cent of her 1929 foreign trade, but exports have steadied recently as a result of the Ottawa agreements. Next to the United States and India, Canada's shrinkage in foreign trade has exceeded all other nations. The problem is not fundamentally political and cannot be decided along party lines.

Opportunities in United Kingdom

Is there not some way in which Canada can increase the prices of her foodstuffs and widen her distribution in her greatest single market, namely, the United Kingdom? The British Isles are undoubtedly our most valuable market, absorbing over 40 per cent of our total exports as against 29 per cent taken by the United States. Furthermore, our exports to the United Kingdom are on the upgrade, whereas our figures to the United States are falling monthly.

Exports to the United Kingdom are predominantly animal, agricultural and vegetable products. This means a 100 per cent return to Canadian farmers working on Canadian soil.

One cannot but be impressed with the success of foreign countries and British dominions in marketing their products in the rich, large and complex British market. Denmark almost monopolizes the bacon market, followed by Sweden, Poland, Lithuania, Latvia and Esthonia. Ireland and home producers still lead in live stock. United States, Argentine and Australia compete keenly with Canada for the wheat market. New Zealand dominates in cheese. Australia is strong in wine, apples and other fruits. New Zealand has the edge in honey. Japan is bucking the salmon and lobster markets. Italy has made her tomatoes the standard canned product. Denmark, New Zealand and Australia share the butter market between them. The Scandinavian countries and Portugal occupy the sardine market. In canned fruits, the United States leads all competitors. Australia and South Africa have the wool business tied up, while the latter is making a big bid for citrus fruits. Australia has ousted the United States from the dried fruits trade.

Trade Has Just "Growed"

During my recent visit I was assailed from every side with the question of: "When are Canadians going to take their export business seriously?" This was a surprise to me because it is taken for granted in Canada that we are doing a pretty good job of exporting.

A prominent Canadian business man in London stated his conviction that Canada's export trade, like Topsy, had "just growed," due to the world-wide demand for Canadian hard wheat and also our backdoor market into the United States for dairy products, live stock, lumber, etc. But what now, when practically every country is growing its own wheat and the United States has slammed the gate?

Europe is undoubtedly on a nationalistic rampage. In France the loaf of daily bread is technically at least 100 per cent French flour, made from French wheat. Belgium is buying wheat from the Argentine. All foreign wheat has been practically shut out of every European country, to say nothing of our own difficulty in competing with Australia for the far-Eastern markets. Even the British farmers are calling for protection from excess Empire importation of all foodstuffs. The recent Marketing Act can be geared to control this situation, in accordance with the wishes of English producers.

Dumping "Seconds"

Another opinion expressed was that Canada, having deepnded on wheat exports for her income, has treated herself to the best of whatever else she produced. Then whatever surplus remained was unloaded on the British market, irrespective of quality and price. It is claimed that this has resulted in creating a bad name for Canadian products generally and may be the reason why even today some Canadian products command the lowest prices on the English market.

Several reputable concerns complain of lack of uniform grading and careless labelling even by representative companies. Evidently some low grade bacon has slipped into the English market recently. There are many complaints regarding irregularity of supplies and also lack of control in supervising unloadings at different British ports, so as not to crowd the market at any particular point.

The publicity and exhibition services of Canada in London are well run. The federal and provincial departments of agriculture are backing producers up with splendid service along the lines of experimental farm research, field supervision, bulletins, etc. What seems to be wanting is a Dominion Export Policy to bring producers in each industry together and weld them into an entity able to co-operate in promoting the marketing of their products through established channels of distribution in the United Kingdom and other overseas territories.

End of E.M.B.

A more definite and progressive move by Canadian producers, particularly along publicity lines, is necessary because of the elimination of the Empire Marketing Board, which has been one of the most important agencies in developing the "Buy-British" spirit in the United Kingdom. Visitors to London will recall the "Buy British" posters, the Empire shops and market research carried through so efficiently by this Board. All this ceases on October 1st, following an adverse report by the Skelton Commission and the inability of Empire members to get together on a basis for continuing the activities of the Empire marketing board on its publicity side.

What is required is a plan or method of marketing overseas, embodying the following principles:

(1) Observance of established channels of distribution in the United Kingdom and elsewhere.

(2) Uniform grading and regular inspection of all products exported.

(3) Concentration on logical markets.

(4) Ear-marking of definite quantities of high grade merchandise for export.

(5) Regular supplies in accordance with the demand of the overseas markets.

(6) Regulation of shipments to logical ports.

(7) Co-ordinated publicity and advertising services, especially retailer contact.

(8) Establishment of a Dominion or Empire mark.

(9) Maintenance of friendly relations and the encouragement of reciprocal trade.

Advertise Our Wheat

Canada's immediate objective should be to hold and expand her present wheat markets and to make up for the loss of other wheat markets by an intensive development of exports of other primary products such as bacon, live stock, cheese, apples, honey, maple syrup, canned fish, frozen fish, canned fruits and vegetables, tobacco, etc.

Surely a comprehensive and constructive advertising campaign on the part of the wheat producers having for its aim the publicizing of the nutritive and dietic value of Canadian wheat as forming part of the flour supply of each nation would be of value and worthy of consideration? Other great national industries, such as the orange growing industry of California, the citrus industry of Florida, the tea industry of India, the meat and butter industry of New Zealand, etc., have widened the distribution of their products by intensive and well-planned advertising and publicity.

In the marketing of other primary products, a great deal has been accomplished by New Zealand, Australia, South Africa, Denmark, Malaya, United States and the Empire Marketing Board. It is proposed in future articles to examine the policies and technique of organizations in these countries which have as their objective the marketing and advertising of farm products in the United Kingdom.

Majority of Executives Think 62 Years Too Young to Retire

Shoe Manufacturer Proposes Dominion-Wide Plan for Retirement on Pension — Regina Leader-Post Believes Imperial Oil Plan is Valuable Object Lesson for Canada to Watch

Final contributions from leading Canadians on the subject of the proper age for retirement of executives and other employees appear in this issue. Some of these letters express the opinion that in the interests of efficiency a company would do better to choose a later retirement age than 62 years; still others think that each individual case can be treated on its merits. One leading executive says that his company has experienced, vigorous and faithful employees more than 60 years of age whom he would be sorry to lose.

A Dominion-wide scheme to cover sickness, pension and old age is suggested by one large shoe manufacturer. Another agrees with Imperial Oil that there should be an age for retirement on pension and still another that retirement at a set age cramps men's efforts.

Ernest A. Cousins compares modern life to a race in the dramatic letter given below. The Regina Leader-Post feels that the Imperial Oil's plan of retiring executives at 62 and other employees at 60 years of age will be a valuable object lesson to Canada. Other business leaders, economists and public men generally can study the results obtained by this company which in this way will give positive guidance for the future to Canadians.

BELIEVES 65 YEARS IS BEST RETIREMENT AGE

In my opinion, while the setting of an age limit for all employees,, including executives, may be desirable in the case of some very large organizations, I consider that 62 years is too young for retirement and that 65 is quite young enough to ask the average fit and healthy employee or executive to drop out of line on pension.

If all large employers were to adopt the 62 year age limit, the world of commerce would unquestionably lose the valuable guidance of many executives of ripe experience while many mechanics, artisans, etc., can still do their best work when well over sixty.

K. R. MARSHALL,
(President, Standard Fuel Co., Toronto.)

* * * *

HAS VIGOROUS, EXPERIENCED AND FAITHFUL EMPLOYEES OVER 60

I think hard and fast statements with respect to the limitation by actual years to a man's usefulness are wrong. Any Canadian who is old enough to recall the fatal statement of the late Sir William Osler, I am sure, will support my contention. He elected to decide, and give public utterance to the statement, that a man's usefulness terminated at a certain age, and, after that, he should quietly be put out of the way—or something to that effect. At the time of writing, I am 57 years of age and I know that I am capable of working harder than a good many men of 37—and, furthermore, I have had the additional years of experience in my chosen calling to apply to the best benefits of that business. I have in my employ men of over 60, whom I would not care to place on the shelf since I have the knowledge that they are vigorous, experienced and faithful.

I repeat my belief that hard and fast rules concerning retirement are wrong, and further that, under a hard and fast rule citing a definite time for a man to cease his activities, a loss is effected on the business he is in and a hardship on him. I believe that utilization of experienced men is of great value and that, rather than have the set rule, the individual's case should come up at a certain time and decision reached as to whether he should be continued on at full time or part time, and so on.

C. H. L. JONES,
(President, Mersey Paper Co., Liverpool, N.S.)

* * * *

SUGGESTS DOMINION-WIDE SCHEME COVERING OLD AGE, SICKNESS

I really do believe this is a serious question and something should be done in connection with the age limit for retirement.

There is the point which you outlined: that is, a man might have all faculties and still be of great value, but we also have the other viewpoint, suppose this man dies, someone would have to take his place and I do not see where any harm could be done by training a younger man to prepare him for this position.

I really believe that we should go a step farther: we have provisions made with the Compensation Board in connection with accidents but we have no provision whatsoever for sickness, which is just as important. I understand that one province has provisions for medical aid.

I also believe there should be a Dominion-wide scheme covering the three phases, that is, old age, compensation and sickness. If there is just a provincial law it creates unfair competition with manufacturers in the other provinces.

Under the present conditions, when you see unemployed men, who are from 50 to 60 years of age, and with work opening up as it is now, these men cannot secure positions, as the younger men are given the preference, and it is certainly pitiful to see how a great number are trying and doing their very best to get along without asking for charity and suffering terribly in doing it.

After considering these questions, also that there must be way made for the younger generation coming on, we think that these points will outweigh a number of times the points regarding a man, beyond, say, sixty years of age, who has all his faculties.

Possibly a good scheme to work this out would be to adopt the same way as with compensation, that is, allowance should be made in the manufacturing cost to take care of this.

If the Government would make up its mind to do this, it could be done just the same as any other scheme that has been put over, and this would give more real benefit than anything that was ever done.

I do hope that I have conveyed to you my thoughts regarding this and that you may receive the information you are seeking but would appreciate very much if you did not use my name in connection with this.

(Note from editor: This letter is from the chief executive of an important shoe manufacturing firm.)

* * * *

SHOULD NOT "CHANGE HORSES" WHEN CROSSING A STREAM

With reference to your request that I should express views for publication with respect to the subject of "A Retiring Age," the writer is of the opinion that no general principle can be followed and that in each instance the fixing of finality is subject to circumstances confronting the individual situation and the business unit affected.

The writer himself being above the 62 year limit is perhaps prejudicially biased, but under prevailing conditions his opinion is that to "change horses" during the crossing of the present turbid stream of economic events is a matter involving other considerations than that of a mere number of years of age.

(Note from editor: The foregoing letter is from the chief executive of a large company manufacturing non-alcoholic beverages.)

* * * *

APPROVES THE RETIREMENT ON PENSION AT STATED AGE

While we have no pension system in vogue in this company (The Goderich Elevator & Transit Co.) we quite approve of the idea and feel that if it could be generally effected, especially in the larger concerns in Canada, it would be most advantageous to the employee and the employer.

We feel that the employee, knowing that he would be entitled to pension at the expiry of a defined service, if based on the scale of wages he had received and still in effect at his retirement, would strive to put himself in the most remunerative service to the company.

We are not a large employer of labor or skilled workmen but aggregately, in common with all other grain elevators in Canada, believe that such a scheme would be highly beneficial to all concerned.

G. L. PARSONS,
(President and Manager.)

* * * *

SET AGE FOR RETIREMENT CRAMPS MEN'S EFFORTS

I cannot help remembering that the outstanding minds in every field of thought seem to be still functioning excellently well over the age of sixty years.

It seems to me that as men and women, executives or labor employees, learn as they grow older to conserve time and use it more economically, and that attention is more concentrated, so that instead of retiring from active participation in the affairs of the companies or industries of which valued servants have become an integral part their services should be so appreciated that definitely high salaries and lasting friendship is the natural corollary. "Nothing strikes one more in the race of life than to see how many give out in the first half of the course. TEN YEARS GONE......First turn in the race. A few broken down; one or two bolted. Several show in advance of the ruck. Twenty YEARS. Second corner turned. Look how they have thinned out. Anyone can see who is going to win......perhaps.

"Thirty YEARS. Third corner turned. But who is that other one who has been lengthening his stride from the first, and now shows up close to the front? Don't you remember the quiet Brown. He is one of the sort that lasts; look out for him.

"Forty YEARS. More dropping off....but places much as before.

"Fifty YEARS. Race over."

There are two ways of looking at this simile but I believe that a set age for retirement cramps men's efforts, and that men who have led in the race for fifty years should not be sidetracked at the height of endeavor.

Our British jurists are more valued for their sane judgment, their probity, their scholarship as they grow older. Our eminent scientists are keener for research (Haldane and the Cambridge men excepted), and need the extra years to work out any kind of results. Industrialists and bankers such as Vickers and Leman could not retire into obscurity.

The case for the younger man may be disposed of in one sentence. Every employee, in any kind of business, is equally important in the scheme of that business. "The chain is only as strong as its weakest link." To every one comes his hour.

ERNEST A. COUSINS,
(President, United Amusement Corp., Montreal.)

* * * *

IMPERIAL OIL RESULTS MAY YIELD POSITIVE GUIDANCE

The Leader-Post, Regina, Sask., has the following timely comments to make on this subject. In an editorial headed, "Should They Retire?" it says, in part:

The action of a certain oil firm in deciding that its employees, from the top officials to the humblest employee, must retire whether they like it or not, at the age of 60 and 62 in Canada, is quite naturally provoking much comment and discussion in business circles. The Financial Post of Toronto devotes much space to the pros and cons of the question and appears to have summed the situation up well.

Obviously, such a proclamation would cause quite a commotion in any great business concern. The Toronto financial journal evidently considers that there is something to be said on both sides with regard to the matter of its wisdom or unwisdom. Such a regulation does make for a feeling among the younger people employed that promotion may be quicker than if older men and women are allowed to retain great position without age limit. That makes for initiative and better work among the younger members of a staff and, to that extent, is good. On the other hand, what about the feelings of the employee who is reaching the age limit and knows that no qualifications of merit or efficiency will alter the inevitable falling of the axe? Also, has not age and experience some contribution to make that no youthful vigor and drive can possibly supply? Is it wise to scrap that gained wisdom just because the clock has struck? Business is most likely to lose something if it ruthlessly sets aside its aged counsellors. The Post suggests that some post of advisory capacity be reserved for older men, so that while not retaining a place some younger person might adequately fill they will still be a part of an organization which may have come to mean much to them.

This whole question bristles with difficulty. It is a subject with genuine bearing upon the troubles in regard to employment of our time. It has an aspect of unfairness that, in some cases, men who have had a good innings and are financially independent should resolutely retain place which is the legitimate ambition of younger qualified men. Where such aged men or women have the unselfishness and good sense to retire at a reasonable time and find some hobby for their declining days, they do a good thing and help a difficult situation.

Certain it is that experiments such as the one to which we allude will be closely watched by business leaders and publicists in their development. It is to be hoped that in time their working will yield positive guidance for the business world.

* * * *

CONSIDERS IMPERIAL OIL PENSIONERS LUCKY

The Financial Post invites comment on the retirement of Messrs. Stillman and McQueen by the Imperial Oil Company on the rule retiring men who reach the age of sixty-two years. Many people may be pardoned if they envy these gentlemen who will now be able to pursue some hobby or study or to devote their time to some useful pursuit free from money cares and from the demands of industry.

But what of the thousands of other men who have reached that age and who are weakened or just about all in after, say, forty-five years of steady service—men who have dependents—probably sons about to begin their life work and unable to secure this work. What about those men who must turn out to work in all kinds of weather to all sorts of jobs—needing the money, and in constant terror of being informed that their services are no longer required.

The governments, civic administrations and industrial concerns such as the Imperial Oil, Canadian Pacific Railway and others recognize that generally a man's usefulness is impaired at around sixty years of age, and through adding to taxes, commodity prices, or service prices of all the people are thus enabled to provide for their own employees by superannuating them.

The Financial Post is a powerful paper and renders a great service to the people of Canada, but there is no service it could perform greater than to work out a scheme of superannuation to embrace all the workers at the age of sixty or younger.

A suggestion from me would be that every young man as he launches into industry at the age of around sixteen would be required to declare and pay taxes on his earnings (as those fortunate income tax payers have to), the proceeds of this tax to be funded to take care of him when he reaches the age limit. It is not necessary here to consider arguments for and against it. The insurance companies would raise a row as they did about the Workmen's Compensation Act. On the other hand, so many young fellows eager to work would get work and there would be few gas station or drug store robberies.

Trusting that this suggestion may meet with a sympathetic reception and that you will use your influence to have it bear good fruit.

FRANK MORAN,
315 East Brock Street, Fort William.

FRANC TO DROP IF FRANCE SOON GOES OFF GOLD

Rate Would Depend on Price of Gold in London Market

WAR OF CURRENCIES

In Two Years Nations Would be Driven to Stabilization Agreements, Thinks Expert

As world pressure increases against France's efforts to remain on the gold standard, stock markets and commodities tend to fluctuate because of uncertainty as to what the effect of a departure by France from gold would mean to the rest of the world. All remember what happened when Great Britain at a time of crisis went off gold. It has not been a bad thing for England, but England has been really tied to gold because the managers of her currency have been acquiring gold in large quantities and they have not allowed the British system to get out of touch with the franc. The franc has therefore continued as a stabilizing factor for sterling and opinions are as far apart as the sun and earth as to what the old earth will be up against when France takes the plunge, if she does so.

Gold miners are carrying on as though departure of the world from gold will make little difference to them, and present holders of gold also act as though the holding of gold at this time is one of the safest things to do in a world where inflation of currency is inserted in political programmes of various countries. This very feeling, according to one of the most acute observers in Canada of trends of monetary policy, is one of the safeguards of gold prices, and therefore of other prices in case France goes off gold with all the nations that belong to the gold bloc.

Speculators Will Buy Gold

"My guess," he said, "is that the price of gold will be maintained above old parity by buying of speculators and capitalists who are afraid of inflation and expect to benefit by getting large supplies of gold. If countries now holding gold in large quantities carefully preserve their supplies as they are likely to do and countries with comparatively small supplies begin carefully to buy so as to be prepared against the day when a return to gold is possible, then this extra buying by speculators may be enough to preserve the high price of gold. It may be subject to fluctuations as nations hasten or change monetary and trade policies, but at least there will be a market price for gold which managers of currencies will have to take into account when working out policies. Until one sees what gold will go to on the market when no country is obliged to buy, it is impossible to say what the effect will be on currencies. The very event that would cause France to go off gold would cause the franc to go down in price afterwards, but how fast or how long no one can now say."

Clashing Objectives

This demand of the speculator and the rich man for gold, so far as national policies permit it to function, may not be helped by large national purchases of gold. That has to be seen, but regulations in Canada, United States and some other countries do not so far permit any but gold miners to have a free market. The possibility of a divorce from monetary policy is evidently accepted generally as likely to be only a temporary estrangement because everyone is still treating gold as though it is the most precious commodity among the precious metals of the world; that is, governments are forbidding hoarding by nationals and are hoarding it themselves.

The departure from gold would put everyone in a fighting position with regard to their respective currencies with the object of improving internal positions first and external position next. So far Great Britain and the United States have had two clashing objectives, Great Britain to maintain the level of internal prices and the United States to increase hers. Somewhere United States policy must envisage the securing of stability. If those observers are right who think that if France goes off gold the French franc will begin to depreciate with reference to the market price of gold in London, that will have important effects everywhere. What the rate of fall will be none can say in advance but one result might be that the United States dollar would rise in terms of the French franc. So might the Canadian dollar. The United States dollar has fallen rapidly recently in terms of gold, the Canadian dollar less rapidly and sterling very little.

Holding Gold Against Revaluation

An executive of a large British company with interests all over the world told the editor of The Financial Post, when he was recently in London, that they had divided their liquid funds so as to protect them as much as possible against loss. In the United States they had gone into equity stocks and commodities because of the trend to increased prices, in England and France into bank accounts and a large store of gold in the free London market. On the whole he felt gold to be the best anchorage.

Each country will probably preserve its store of gold against the time of revaluation some years hence. Currency stabilization agreements between various nations will have to become good politics first, and best opinion is that these will be found inevitable within the next two years before international trade can proceed on a proper basis. If stabilization can be maintained approximately, then a few years later there may be revaluation of gold.

United States policy would exert a great influence in Canada. One opinion is that if the United States eventually reduces the gold content of its dollar from 23.2 grains to 17

(Continued on page 15)

New Advertising Racket Features Food Products

Retailer Pays Nominal Fee For Membership and Receives Printed Handbills Featuring Certain Firms' Goods While Manufacturer "Pays the Shot"

Manufacturers of various lines of foodstuffs have recently been approached to enter into propositions with organizations offering them an advertising or display service, or both, through retail grocery stores, in return for advertising allowances, according to an article appearing in the current issue of Canadian Grocer. The gist of the plan is that these organizations secure as members as many retailers as possible who may or may not now be connected with buying groups of different kinds.

Arrangements are made with them to concentrate on the buying and selling of products of manufacturers who co-operate with the parent concern. Only a nominal charge is made to retailers as an entry free, the organizations themselves securing the money from the manufacturers in allowances. The head office issue advertising circulars, each retail member having the privilege of inserting his name on the dodger before it goes to his customers.

Manufacturer Pays

In return for featuring certain definite products of manufacturers the latter are asked to contribute money to pay for the advertising as well as for displays and the goodwill generally of the merchant associated with the plan. In other words, if a manufacturer wants his product to be advertised on the circular that goes to the customers of the various merchants or in displays he has to pay for it. Those behind the plan state that this is now what manufacturers are doing in so far as some of the large distributors are concerned, including the buying groups that have been established for some years, and they want to get some of the money that is going. They also are endeavoring to buy certain goods in larger quantities to get greater discounts.

Just how the scheme will work out remains to be seen. Canadian Grocer has been in touch with several retailers, also manufacturers, who are definitely opposed to it and refuse to contribute anything in the way of advertising allowances. They term all allowances, rebates, and entrance fees, "rackets."

There are now, of course, a number of firms who have eliminated allowances and special discounts apart from straight quantity discounts and quota rebates to any distributor, and the trend—at least among several of the larger firms—is reported to be along this line.

Retailers Non-committal

Retailers are fairly non-committal. It doesn't cost them much to go in, and although some have turned down the idea, others seem to be willing to give the promoters a chance to see what they can do. Everything as yet is in the embryo state.

In one of the plans, there is an allowance arranged for the retailer who carries, say, an advertising display card for the manufacturer in his store. If the advertising of thirty manufacturers is placed in a single store and the retailer is allowed 30 cents per card for a certain length of time, he gets a percentage of the $9 and the organization behind the scheme gets the balance. For other services, the fee would be greater. If a thousand grocers could be induced to sign up with the organization, it is considered that this would mean some additional revenue free to them and a substantial one for promoters.

Manufacturers seem to be taking to the new scheme somewhat slowly and are making thorough enquiries. One reports seeing a circular or dodger which included the advertisement of a competitive line. Although the salesman insisted that every firm whose goods were mentioned on this dodger was in on the plan and paying for the space, it developed later that this particular competitor had not agreed to it and was not paying for his portion. The impression secured was that the product was advertised in the hope that it might influence one or more competitors to come in.

Want Wholesale House

Retailers tell Canadian Grocer that at least one of the plans does not appear to be working out as originally intended inasmuch as merchants are now asked to contribute a definite amount of capital to help establish a wholesale warehouse. At first they were only asked to pay a certain nominal fee per year for the privilege of getting a specified number of dodgers each week for circulation among customers, but now they are asked to put up money to go into the wholesale business.

"Personally, I do not see how this can succeed," remarked a retailer to Canadian Grocer, "when it is considered that the greater percentage of the larger merchants are now in group organizations. I cannot see how a sufficient number of those remaining can be secured to continue the plan. Although I signed the original contract and agreed to distribute the dodgers which were only costing me a very small amount per year, I would not consider the present scheme at all."

Operations a Joke

The head of one of the organizations expressed the opinion to Canadian Grocer that it was a "joke the way some of the jobbers operate the voluntary chains." He did not think the retailers in the groups were getting everything out of them they should in the matter of price and co-operation. It was not necessary, he thought, for merchants to sever their connections with these other groups to join his. He, himself, would like to organize a wholesale house entirely owned by retailers as he considered this was the only way for the latter to get what was coming to them, regardless of the experiences of retailers in the past who had attempted to form their own wholesale company.

He referred to many retailers showing large cards of manufacturers in their stores without remuneration and mentioned particularly a ginger ale firm which was getting a lot of free advertising from merchants. His organization would put a stop to this and it was prepared to offer manufacturers different kinds of services for different rates. For instance, one at, say 50 cents per store per year would guarantee that each grocer would agree to stock the manufacturer's line, not discriminate against it, not substitute another for it, to give general support to it and three times a year give it a partial window display and a floor display. Another plan would include a predominance of display in the store and a certain number of complete window displays and counter trims, handbills, newspaper space, etc. Manufacturers, the head of this company said, could secure a service commensurate with whatever they wanted to pay.

One of Five Accept

Asked how manufacturers would check up on exactly what they were getting, the answer was that his own supervisors would do the auditing and bill them for the amount due. Whether this would be satisfactory to the manufacturers remains to be seen. Asked as to how the retailers were taking to the plan, he said that 2,500 had been written and 500 had accepted. It was difficult, however, to secure the $4.50 fee covering the retailer's acceptance and merchants were being permitted to either pay it at the start or out of profits they made from advertising space in the store. The organization, too, is to collect the money from the manufacturers on behalf of the merchants and remit the latter's percentage to them.

E. T. Tomlinson Resigns From Doremus & Co.

E. T. Tomlinson, Jr., who has been president of the international advertising agency, Doremus & Co., since the death of the late C. W. Barron, founder and former president of the firm, in 1928, has resigned. He will not, however, sever all his relationships with Doremus & Co. but will continue to have an interest and devote part of his time in an advisory capacity to the activities of the company. Mr. Tomlinson joined Doremus & Co. as vice-president on May 1, 1919.

William H. Long, Jr., who has been with Doremus & Co. since July, 1919, and for many years has been vice-president, was elected chairman of the board.

Mr. Tomlinson will be succeeded by G. Munro Hubbard, who will become president as of September 1. Mr. Hubbard has been a director of many important public utility and industrial corporations, most of which he has resigned. He will continue, however, as chairman of the board of directors of J. G. White Engineering Corp., a position to which he was elected in 1932. In 1931-32 he was president of the Bond Club of New York.

Walter H. Burnham, who for some time has been secretary of Doremus & Company, will become vice-president, and R. E. Williams will continue as treasurer.

Saint John Shipping Active

With exports from Saint John during July 6,290 tons in excess of those of the same month last year the import and export tonnage for the seven months ended July 31, amounted to 815,588 tons as compared with 705,410 tons in 1932.

REDUCTION NEEDED IN LABOR HOURS SAYS B. C. REPORT

Minister of Labor Attacks Low Wages Paid in B. C.

Unless working hours are reduced in British Columbia industries, all working men now out of work can never be employed again. This is the blunt warning given in the recently issued annual report of the provincial Labor Department written by Adam Bell, Deputy Minister of Labor.

With this in view, the board administering the Hours of Work Act, the report announces, is considering cancellation of some of the permanent exemptions granted to various industries.

The grave decline in wages and living standards of British Columbia's working population is also stressed in the report. It is pointed out that with cities crowded with unemployed, employers have, to a larger extent than formerly, been able to secure labor upon their own terms. It has been difficult to understand the attitude of some employers, the report states, whose men are obliged to live in camps, in keeping up the charge for board at a figure entirely out of harmony with the wages paid, despite the claim from certain quarters that wages had been reduced because of the decrease in the cost of living.

Cure Over-production

The report then issues a warning to employers that greater consideration must be given to amplify the purchasing power of the wage earner. "Present methods are not such as to create a demand for goods produced and thus we have what is called over-production," the report adds. "There need be no excess production if wage earners were in a better position to buy."

Bruck Silk Mills Sales Record Increase

From Our Own Correspondent

MONTREAL. — Bruck Silk Mills officially reports that sales for the first nine months of the current fiscal year ended October 31, were 42 per cent highere than the total for the corresponding period of the preceding year. The major percentage of the increase has been recorded in recent months. In meeting the increased demand the company, on August 1 started operation of a new addition to the Cowansville plant that, together with the adoption of three eight-hour working shifts per day, had the effect of increasing output by 35 per cent over the previous rate.

Grain and Milling in Canada

Wheat

From Our Grain Correspondent

Rains Hurt Crop

ESTIMATE of 268,000,000 bushels for the Western wheat crop this year produced last week by the W. Sanford Evans Statistical Service will probably be accepted during the next two months or so until actual threshing results can be closely checked up. While these are available now in certain districts, it must be remembered that there is still a good deal of uncut wheat, and a great deal unthreshed, and estimates are necessarily based on local opinion as to outturn. One broker has recently reiterated his formerly expressed opinion that not more than two hundred million bushels will be found in the final returns, while on the other hand, an occasional timid suggestion is made that there might be 300,000,000 bushels. One reason for this great discrepancy of opinion lies in the extremely spotty nature of the crop this year. There was remarkable variation within a few miles, even from field to field.

Very heavy rains have recently fallen over a large part of the prairies, including the drought stricken districts. These have slowed up threshing, and have undoubtedly lowered the grade of large quantities of grain. Up to that time the grade of the crop as a whole was considered to be very high, a usual result with a small crop in a short, hot and dry growing season. It is the conditions which produce the heaviest total yields which usually result in the production of a considerable percentage of lower grade wheat. Grain which is heavily rained on after cutting may still thresh out a high grade, but only when sufficient time afterward elapses to allow it to dry thoroughly in the stook. But warm weather along with the rain may cause a considerable percentage of grain to sprout in the stook. Already this has occurred to some extent, and samples of sprouted grain have been received in Winnipeg.

In the aggregate the rains will probably do a lot of good in reviving pastures, although the lateness of the season with shortening hours of sunlight and heat makes any very great growth unlikely. But with feed as scarce as it is in many parts of the West anything that lessens, even for a brief period, the demand on available supplies, will be considered important. There are also districts where supplies of water for stock were becoming short, and the renewal of these has been welcomed.

As has frequently happened during recent years, the coming of extensive rains has been heralded in the dry districts as marking the end of the long drought. But the drier districts will require many inches of rainfall yet, before measurement of sub-soil moisture will reveal a satisfactory storing of supplies.

Oats Quota No Help

ANNOUNCEMENT of a quota of 6,000,000 bushels of oats to Canadian shipments to the United Kingdom for the current year has created little interest, because the oat crop of the West is so short this year as to leave nothing available for export, even to Ontario, without increasing the deficiency on the prairies. For the same reason the increase of the British duty against foreign oats, from 10 per cent to 20 per cent, is not considered significant at present, although both these factors might develop importance later. The Canadian consumption of oats is very elastic, for farmers feed grain freely when they have it, and can get along with surprisingly little when it is scarce.

Currencies Bearish

FURTHER sinking of the gold values of sterling to new low levels is an adverse influence to wheat prices. It is quite possible that the greatest bearish influence on prices during the past two years has been the departure of Great Britain from the gold standard, and the subsequent decline in the value of sterling. The United Kingdom constitutes such a large part of the importing market that prices prevailing there have an important influence everywhere else, and there is a great tendency for prices of British imports to remain fairly steady in sterling, whether the pound drops or not. When, however, the Canadian dollar declines in value, and the Canadian expression of prices rises accordingly, Liverpool sees in such a development a bearish influence, as making this country, or any other where the corresponding phenomenon occurs, more willing to sell wheat cheaply. The Winnipeg pegged price is an excellent example of this, as its international value has fluctuated a good deal since it was established with very little attention being paid to that fact.

WHEAT MARKET LOOKING BETTER, CANADA SELLING

Liverpool Seen as Support to Winnipeg as Buying Continues

LAKE RATES STIFFEN

European Millers Begin to Wonder Where Wheat to Come From — Export Crops Poor

From Our Own Correspondent

WINNIPEG.—In spite of the fact that the improvement is not recorded in price levels, the wheat market looks better than has been the case for some time. Wheat is moving out of Canada at a very substantial rate, equivalent to nearly half of the world's exports weekly shipments, even if these are small. It is moving down the lakes in fair quantity, in response to real export business, to such an extent that lake freights are stiffening. New export buying is constantly coming into the market and buyers abroad show a disposition to protect themselves for forward shipments. Liverpool, in fact, would appear to be sustaining Winnipeg, instead of Winnipeg trying to drag Liverpool upward.

Small as are European requirements this year, importers are beginning to wonder just where the wheat is to come from. In spite of earlier promise of substantial Russian shipments, Russia has so far put but little wheat afloat and millers are beginning to wonder if they can count on much Russian wheat. The Danusian countries indicated at London that they expected to export 54,000,000 bushels of wheat this year, but the Roumanian crop, although fairly large, is turning out to be of poor quality and its suitability for export is doubted.

Argentine Supplies

Argentina has been selling very freely of late and floating stocks have been increased by the putting afloat of a considerable number of Argentine cargoes as yet unsold. But unless statistics as to Argentine supplies are wrong, the present rate of shipments cannot be maintained, while the continuance of dry weather and the threat of grasshoppers creates the probability that the next Argentine crop will be a very small one. Although Australian conditions have lately improved, the chances are still considered to be rather against that country achieving an average yield. The United States has an export surplus, but as it cannot be got out without subsidizing export, it is not available to European markets.

The existing world surplus of wheat is really in the soft varieties and the maintenance of usual flour standards should require a good deal of Canadian wheat. Changing conditions in any one of several countries might bring about a sharp change in the outlook but for the immediate present a fairly satisfactory business in Canadian wheat seems to be indicated. The market hangs dangerously close to the established pegs and there is constant apprehension as to what may occur if trading should be brought to a standstill by lack of export business. That feeling is responsible for the lack of much public buying at present. But country deliveries are not yet very heavy and are still being held back by weather unfavorable for threshing in many districts and to cutting in those areas where the crop is still uncut.

Strike at Buffalo

The strike of elevator workers at Buffalo might assume a position of importance, in spite of the small quantities of grain recently exported through New York, as eastern space may be required to keep the elevators at the head of the lakes open. But it might be largely offset, should it continue by the extensive employment of lake vessels for winter storage of grain.

Dealers on either side of the line are constantly trying to develop some export of Canadian rye to the United States. So far distillers there seem to be hesitant about loading up with grain in anticipation of the right to begin extensive operations as soon as repeal of the prohibition amendment is accomplished.

Chicago Prices Weak

The price situation at Chicago continues to be very weak, with traders too much puzzled over government plans, both on money and grain, to be anxious to commit themselves. In spite of continued impairment of prospects for the corn crop, the government plans for the destruction of 5,000,000 hogs create wonder as to the real prospective demand for corn. In addition, the recent period of high prices resulted in far too much corn going into storage in terminal elevators.

This weakness has been communicated to all grains. There is no better sign of increasing fundamental strength at Winnipeg than the ability of the market here to ignore the Chicago weakness which developed since the Labor Day holiday.

POLITICAL SNAGS IN SASKATCHEWAN FOR WHEAT PACT

Problem of Implementing Agreements Has Difficulties

From Our Own Correspondent

REGINA—Opinion on the new wheat export quota plan is forming somewhat slowly and being expressed with hesitation. The announcement comes in the midst of threshing, when farmers who have any crop at all are still busy. Their immediate concern is more with their personal problems than the formation of national policy, and there is more immediate interest as to the maintenance of the pegged price at Winnipeg than in the effects of the wheat agreement.

For the immediate present, therefore, there is less criticism than would earlier have been anticipated of the announcement that Canadian exports of wheat are too limited by agreement for two years. But in business and government circles there is apprehension of a good deal of trouble before the programme of wheat acreage reduction is successfully applied to the province. It is true that the wheat pool organization, although opposing acreage reduction, is on record as being in favor of a system of export quotas, and went so far as to indicate a method favored for the application of quotas to individual farmers.

Pool Quota Plan

Briefly, the pool idea was that no attempt should be made to interfere with the production of wheat by any farmer, but that to each producer there should be allotted a quota based on his usual production of wheat, and specifying the quantity he might sell within a given period. It was presumed that after a farmer found he had produced wheat that he could not dispose of, he would either establish reserves on his farm, or reduce his operations until his quota caught up with his production. This would have some resemblance to the acreage reduction plan in the United States, where the payment a farmer gets for reducing his acreage is based on the quantity of wheat he is presumed to have produced during five years. Over a long term of years, and if no carryovers were in question, it might be applied.

But a very large part of Saskatchewan has been suffering from crop failures during the past five years. On some farms the failures have been literally complete during the whole five years, and in most parts of the south country there have been poor crops or worse in three out of the five years. You cannot give farmers there a delivery quota based on the wheat they have been able to sell during the past five years. In northern Saskatchewan, on the other hand, crops have been generally good, sometimes remarkably high in yield during the years in question, although this year's returns are below those of preceding years. Farmers there might accept delivery quotas 15 per cent less than their sales of wheat during the good years, but they would promptly reject any idea of accepting any penalty in order that southern farmers might sell more wheat if they are fortunate enough to produce it next year. "Look at our higher freight rates," would be their reply to such concessions. "And our wheat is mostly Garnet, which is not allowed to grade higher than No. 2 Northern."

A fifteen per cent acreage reduction can be ordained by law, but every one recognizes that it would be quite unenforcible. No case could be proved against a farmer charged with sowing as large an acreage as last year, because there are no records to show what acreage went into wheat, nor indeed the actual areas of different fields.

Suggest Voluntary Cut

One idea suggested is that no attempt should be made to enforce reduction by law. Rather there should be a campaign to get the individual support of farmers to the idea of cutting down acreage in order that the pledge of Canada to other countries might be kept, probably getting them to sign undertakings to that effect. In the dried out areas where it will be necessary for the government to furnish seed for another year's crop reduction can be enforced by limiting the quantity of seed furnished, and in any event it begins to be doubtful if the government can supply seed grain on the same scale as in former years. That really would be the only consideration that would reconcile the south to any such programme. It certainly has not contributed to the world's wheat surplus during the past five years, and will feel that restrictive measures should be applied elsewhere. Indeed, Saskatchewan as a whole might claim this province has already borne, through its crop failures, more than its full share of the burden of reducing wheat supplies.

Political Tension

The subject will be approached gingerly, because there is a good deal of political tension in the province just now. Each of the three political groups, Liberal, Conservative and C. C. F. suspects its opponents of trying to get hold of the wheat pool as an election machine. It is claimed that the Liberal party in former days used to rely extensively upon the old Saskatchewan Co-operative Elevator Company. The Conservative party are in power at the present time, and have shown a willingness to be dictated to by the pool organization, as in other legislation asked for, and the case of compulsory pool and has already shown leniency in collecting amounts due from the pool.

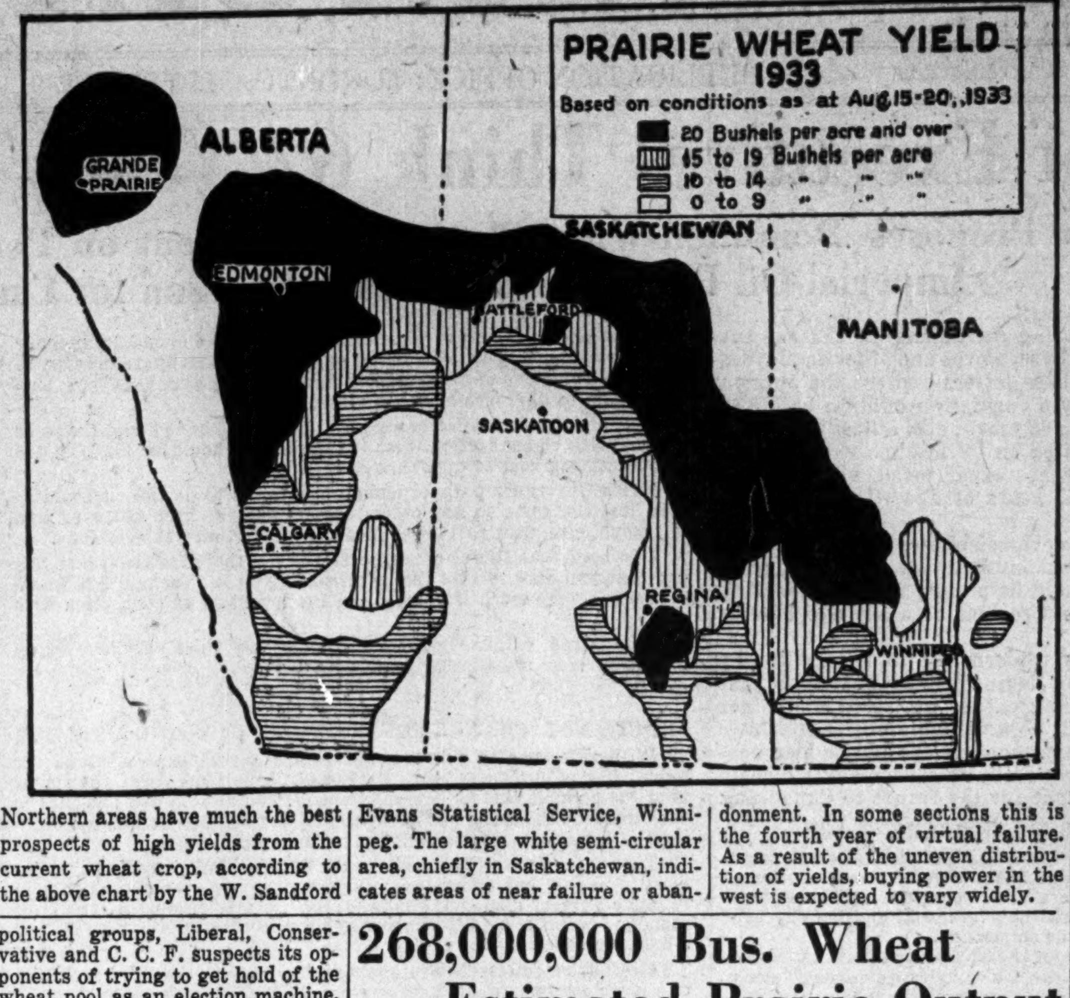
Politics and Restriction

But both these parties see the C. C. F. as trying to capture the pool organization in the hope that both men and funds may be used to further the interests of the party, and find a basis for their opinion, however unjust it may be in the political affiliations of some of the pool leaders, and its ownership of a paper which is used for the publication of radical opinion. It is not the sympathy of the pool member that is supposed to be the political stake, but rather control of the organization, with its sixteen directors, 160 delegates, its thousand elevator agents and scores of travelling officials.

Pool leaders have already denounced acreage restriction, although supporting the idea of export quotas. If acreage has to be restricted in any unpopular manner it may be difficult, and possibly politically dangerous, to attempt to pin responsibility upon the pool. On the other hand if the Dominion and the provincial governments accept responsibility directly they face the prospect of election campaign in which their opponents will blame Dominion commercial policies as the cause of the trouble.

Were it not for the extensive need of relief in Saskatchewan, there would undoubtedly be an agitation to bring about reduction by bonusing farmers to summer-fallow instead of to seed land, but no one ventures to think that the treasury could find the money for this purpose.

Northern Areas Have Best Prairie Wheat Yields



Northern areas have much the best prospects of high yields from the current wheat crop, according to the above chart by the W. Sanford Evans Statistical Service, Winnipeg. The large white semi-circular area, chiefly in Saskatchewan, indicates areas of near failure or abandonment. In some sections this is the fourth year of virtual failure. As a result of the uneven distribution of yields, buying power in the west is expected to vary widely.

268,000,000 Bus. Wheat Estimated Prairie Output

Compares With 431,000,000 Bus. in 1932—Optimistic Feature is Relatively High Grade—Current Crop at About 10-year Low

Crop conditions in Western Canada are far from satisfactory and estimated wheat production is now placed at 268 million bushels, by the W. Sanford Evans Statistical Service, Winnipeg. Total wheat production on the Prairies will approximate to the lower levels of the last 10 years, according to this authority. Last year production was 431 million bushels.

Average yields are reported similar in Alberta and Manitoba, but decidedly poorer conditions exist in Saskatchewan. Comparative lateness of the Alberta crop makes estimates for that province more liable to change than in Manitoba and Saskatchewan.

Trade Higher

An optimistic feature is that the crop is reported to be of relatively high grade, but it is feared that this may be changed by recent rainy weather. Large shortages of feed grain and fodder are reported in drought areas. The considerable failure of wheat and other crops is due largely to abnormally early and lengthy heat spells with lack of rain.

The worst wheat areas are in Southwestern Manitoba, South Central and Western Saskatchewan and Central Alberta.

In Manitoba all wheat is reported cut and 65 per cent threshed. As a result frost damage is not feared. Practically all Saskatchewan wheat is also reported out of this danger. In Alberta the best wheat areas are in the north, and threshing has not progressed very far. About 23 per cent of the wheat in the province is reported immature and it is, therefore, in danger of frost damage. This immature grain is in one of the best wheat areas on the Prairies this year.

During August most of the crop deterioration is believed to have occurred in Saskatchewan. Early threshing returns indicate that early August estimates of yields in Manitoba and Alberta are running true to expectations.

Effects of Rains

Rainy weather has occurred over most of the West. This has resulted in some lowering of the grade of wheat in the stook, and may further reduce the quality in some sections of Alberta.

What frost damage has been reported has been of a minor nature in most cases. Of the grasshopper pest the report states:

"The period of greatest destruction by grasshoppers is about over, but because of its bearing on possible outbreaks next year, we made a survey of the present situation; 235 points out of 337 reported grasshoppers present, at 130 of which infestation was heavy. This is a considerably wider distribution of the pest than at any time this season."

Comparative statistics on the crop follow:

	Alberta	Saskatchewan	Manitoba
*1. Average condition of prairie wheat crop (percentage of normal)	61%	52%	69%
*2. Average condition in 1932 was	97%	88%	92%
†3. Estimated wheat production (millions of bushels)	105	130	33
4. Production in 1932 was (millions of bushels)	164	202	45
††5. Estimated average yield per acre for			
Wheat	13 bus.	9 bus.	13 bus.
Oats	32 bus.	18 bus.	23 bus.
Barley	22 bus.	11 bus.	18 bus.
Rye	16 bus.	9 bus.	14 bus.
†6. Percentage of cutting completed	47%	83%‡	99%
†7. Percentage of threshing completed	16%	26%‡	65%

* As at July 31, 1933.
† Based on reports on August 30, 1933.
‡ Searle Grain Co. figures.

Voluntary Cut in Acreage Ottawa's Wheat Pact Plan

Intention is to Put on Campaign of Appeal to Farmers — Government Views Pact Favorably — Grain Trade Dislikes It

From Our Own Correspondent

OTTAWA.—Unofficial discussion of the wheat agreement in cabinet circles has served to clarify to some extent the position of the Federal Government and the probable measures which be necessary to carry it out.

Whether the agreement is good or bad for Canada is a matter of controversy. Reactions in the West are unfavorable. The general belief in the grain trade seems to be that Canada has got the worst of the deal and that her competitors—Argentine and Australia — have come off very well.

As to acreage control next spring, the unofficial report is that nothing in the nature of compulsion will be attempted. The policy of compensation is also believed to be open to criticism. The present intention is to put on an acreage restriction campaign early next year and to pursuade farmers to cut their wheat acreage voluntarily.

It is pointed out that while the agreement clearly envisages a 15 per cent cut, its terms refer to exports and not to acreage. Canada undertakes to limit exports during 1934-35 to an amount 15 per cent less than the average out-turn in the period 1931-33, inclusive. Reduction of acreage, therefore, is not vital to the carrying out of the agreement. Regardless of the size of the 1934 crop, the government could control the export movement.

The argument that the agreement must, ultimately, add to our carry-over; that it offers no assurance that the present surplus will be marketed, are warmly disputed in government circles. It is contended that when the agreement is in operation, the result must be to cut the carry-over down to a relatively small amount in the present crop year and to wipe it out entirely in 1934-35.

QUERY FUTURE U. K. PREFERENCE EMPIRE WHEAT

World Wheat Treaty May Alter Viewpoints of Empire Nations

From Our Own Correspondent

WINNIPEG.—Is Great Britain's Imperial preference duty on wheat likely to disappear or to be modified when international wheat prices rise to the extent contemplated by the London wheat agreement? That question is bound to come up for answer when the commitments of the United Kingdom under the agreement come under review. The United Kingdom signed it and apparently assumed the same obligations as did other importing countries, including Germany, Austria, Belgium, France, Greece, Hungary, the Irish Free State, Italy, Spain, Sweden, Switzerland, and also Poland, which is sometimes an importer.

One of these obligations is expressed as follows:

> "Not to encourage any extension of the area sown to wheat and not to take any Government measures the effect of which would be to encourage the domestic production of wheat."

That is modified by a subsequent declaration that this obligation is

> "Consistent with maintaining the home market for domestic wheat grown on an area no greater than at present."

U. K. Home Subsidy

The United Kingdom is now subsidizing the home production of wheat, by distributing among producers the proceeds of a tax on all flour consumed, set from time to time at such a rate as is calculated to bring the average proceeds to the grower to a price of 10 shillings per hundredweight, roughly equivalent at the par of exchange to $1.25 per bushel. This has proved so stimulating to production as to result in the first year of its application in the maximum planned yield of home grown wheat. If production goes on increasing there will be a proportionate decrease in the amount of benefit payments per bushel. Presumably the London agreement will not interfere with the continuance of the plan on its present scale, but would inhibit its enlargement.

It is also provided that the exporting countries

> "Agree that a substantial improvement in the price of wheat should have as its consequence a lowering of customs tariffs, and are prepared to begin such adjustment of customs tariffs when the international price of wheat reaches and maintains for a specified period an average price to be fixed."

Great Britain's only tariff on wheat is the duty of two shillings a quarter, imposed on wheat from outside of the Empire, in order that Canada and Australia may have a preference in the British market. Is it contemplated that this shall go?

Dominion's Viewpoint

It is not impossible, in fact that Canada and Australia might find themselves in the position of wanting to see that duty disappear, in order that the stipuated price level might be sooner reached. One of its effects, apparently, is to increase the price differential at which Argentine wheat is sold below the prices of Canadian and Australian wheat, possibly as much by way of reducing the former as by increasing the latter. Prior to the London agreement Canada's wheat price objective might be said to have been entirely concerned with the price of Canadian wheat, with premiums over other wheat desirable if they could be obtained. But now, in order that the importing countries' obligations under the wheat agreement may become affective, it is necessary for the world price, as measured not only by Canadian and Australian, but as well by Argentine, Russian and Danubian wheat, to rise.

Alberta Produces More Butter

During the month of July, the production of creamery butter in the Province of Alberta amounted to 3,700,000 pounds, compared with 3,032,000 pounds in July, 1932—an increase of 22 per cent. The seven months output amounted to 15,055,097 pounds, compared with 13,546,220 pounds in the similar period of 1932, a gain of 11.1 per cent.

Winnipeg Grain Prices

Week to September 5

Crop year from Aug. 1, 1933 High	Low		Open Aug. 30	High for week	Low for week	Close Sept. 5
		Wheat				
.89⅛	.67	October	.70½	.71¾	.70⅛	.70¼
.90⅞	.69	December	.71⅞	.73⅝	.71⅝	.72
.95	.73	May	.77¼	.78¾	.76⅝	.77¼
		Oats				
.45	.37	October	.38⅞	.39⅝	.37⅞	.37⅞
.45⅝	.36¾	December	.39⅛	.39⅞	.38½	.38⅝
.48½	.37⅛	May	.41⅛	.41½	.40⅛	.40½
		Barley				
.55⅞	.41¾	October	.42¼	.42⅞	.41¾	.41¾
.56⅞	.42¾	December	.44	.44⅝	.43½	.43½
.59¾	.45	May	.47⅞	.48¼	.47⅛	.47⅛
		Flax				
1.55	1.36	October	1.40	1.45¾	1.39	1.45¾
1.54	1.35¼	December	1.40	1.46	1.39¼	1.45¼
1.60	1.40¾	May	1.46	1.53¼	1.45¼	1.53
		Rye				
.62¾	.45¼	October	.52¼	.55½	.51⅛	.53⅝
.64½	.47½	December	.54¾	.58½	.53	.55½
.68½	.51⅝	May	.59¾	.63½	.57¾	.60⅝

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Your Investments

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Savings Certificates Sold on Installments

Investors' Syndicate Grows Strong in 39 Years — Western Savings Reports Excellent Liquid Position — Others Do Not Report

Investors Syndicate, Western Savings & Loan Association, Champion — Simmons Investment Co., Inter-Mountain Building & Loan Association of Canada, Western Homes and other companies are appealing to investors in various parts of the Dominion to enter into long-term savings contracts which bind each contracting investor to pay regularly over stated periods of from 10 to 20 years in order to build up cash assets for later use. In the first four cases the contracting companies agree to pay a definite amount at maturity if payments have been made regularly in the meantime, but in the case of Western Homes the company contracts to do nothing as it is simply selling its own stock on a partial payment plan and therefore has no obligation to the investor except to deliver the stock when fully paid up and to pay dividends on this stock, if earned. The market value of the stock cannot be ascertained until fully paid for and must be established through the company itself which continues to sell its stock. There is no stock listed.

Enquiries coming from all nine provinces to The Financial Post concern mainly the contracts for ten, fifteen or 20 years offered by the first four companies mentioned in this article. By paying definite sums monthly, quarterly or yearly, on these contracts the saver or investor can arrange for the securing at maturity of any sum from $100 up.

Contracts are Definite

The contracts are generally very definite: the investors who read them carefully will be aware that they have to pay regularly and constantly to maturity to get full value out of the contracts. They know that the withdrawal privileges offered under the contracts will give them little or nothing if they abandon them in the first 18 months and that they can scarcely hope to get back more than the money they put into it if they drop the contract at the end of five years? After five years he would see that such a contract would become yearly of more value to him.

It is the essence of such a contract that the intending saver should stay by it and that the expenses of selling him the contract in commissions and advertising should come out of the payments of the first year or 18 months. That is what insurance companies do also in selling insurance policies. In order to pay the amount promised the company must have the full time of the contract. It must be able to invest every dollar after initial expenses are paid, in bonds and mortgages on homes if it is to build the saved amounts bit by bit into the capital sum required at maturity.

Stay by Contracts or Lose

Before entering into such a contract the intending saver should ask three questions of himself and two sets of questions about the company. He must ask himself:

"First, am I reasonably sure conditions of employment or business will permit me to keep up regular payments until maturity?

"Second, does this contract allow sufficient leeway for me to make other saving arrangements by which I will have sums in the meantime for unforeseen contingencies, sickness, marriage, hospital fees, possible unemployment or dull business?

"Third, do I understand the contract fully in all its implications?"

Are Plans Actuarially Sound?

If the saver is satisfied on these points, he should satisfy himself about the company. If he cannot get answers satisfactory to himself on the following two sets of questions, the contract is not for him:

"First, is there a reasonable likelihood of the company being able to fulfill its side of the contract and deliver the specified amount in 10, 15 or 20 years as agreed on? In other words, do its financial statements from year to year show a strengthening position with reference to its total liabilities under the investment contracts, is the contract itself sound from an actuarial standpoint and are the conditions surrounding its investments in mortgages propitious?

Second, what safeguards for the future exist that the money I pay in regularly will be wisely and honestly administered? That is, will present personnel of the company continue? Is there competent outside inspection which can be counted on to protect my interests? Are moratoria likely to interfere between the company and its debtors when it tries to collect interest or principal? Are there assets right here in Canada to cover what the company owes and will owe me from time to time under this contract?

Obvious as the questions, suggested here for a man to ask of himself, may seem, it is just here where hitherto the chief mistakes have been made. Overly-optimistic people have contracted for more than they could perform and have abandoned their contracts after payments for comparatively short periods. Obviously if they cannot continue to maturity it would be better never to have entered on the contracts.

Improving Situations Shown

Investors Syndicate and Western Savings & Loan Association have in successive financial statements shown improving positions whereas Champion-Simmons and Inter-Mountain have not provided The Financial Post with statements whereby their progress could be judged. Champion-Simmons did send The Financial Post a photostat copy of its auditor's certificate that it has more than sufficient assets to cover its liabilities to certificate holders but this is not nearly so satisfying or convincing as the actual details in statements sent to the Saskatchewan Government, and approved by the latter, would be. Inter-Mountain does not reply to requests for its financial statement and efforts to get the information from the British Columbia Government have also not been successful.

Up to Securities Commissioners

Securities commissioners of Canada have a difficult problem to solve in connection with the sale of installment certificates by these various companies. They should not interfere as a rule between parties to a contract but in this case it would appear to be in the interests of both the best companies and the savers to have adequate supervision of the companies. For instance, most intending savers can tell by looking at the financial statements of a company that it is apparently strong. They cannot, however, in most cases decide whether a contract is actuarially sound or not. They can tell that a contract offers distinct advantages but if it is too advantageous the question of actuarial soundness enters in. One may recall that in late years it has been found that the apparently favorable insurance contracts, offered by friendly societies some 20 or 30 years ago were not actuarially sound and therefore in the end not advantageous to those who had been paying under them.

The question as to whether or not the time is propitious for companies investing in mortgages might be asked about other companies which make the same kind of investments. They are in the same boat together, insurance companies, trust companies, loan companies, and all must hope that eventually moratoria will disappear and that talk of inflation of currencies and credit will give way to stable and active business conditions.

Government Safeguards

As to safeguards for the future, investors should expect this from provincial governments. A good past record and present financial strength naturally inspire confidence in a company but citizens who enter into these contracts cannot themselves appoint auditors to inspect the companies in their interest and they cannot themselves examine and satisfy themselves as to the value of the investments. Securities commissioners who permit companies to sell these contracts to the public, have the moral if not legal responsibility therefore of seeing that the companies live up to the terms implicit in the contract. They should see that the companies have in readily available form securities of a value sufficient to take care of liabilities to the investing public and they should not permit sale of a contract which is not actuarially sound. Doubtless securities commissioners do not guarantee all the securities sold by those licensed to sell in the province but savings of its citizens are a real concern to every Government and they should be surrounded by efficient safeguards.

Should Publish Statements

In most of the provinces security commissioners or some other designated person or body, secure an arrangement with various companies to deposit securities to protect contracts. It appears to us that for the sake of the general public, which has not bought but which may buy these certificates, the monthly or quarterly reports received from these companies should be published just as are the quarterly reports of loan and trust companies. That is a double protection to the investor, a guide to him when he is buying and a protection to him afterwards. Provincial insurance departments do not as a rule inspect these companies as they do insurance companies and trust and loan companies. Securities commissioners thehrefore have to take the onus in most cases. Some differences in methods are to be observed from province to province but it would be better if uniform policies were adopted from coast to coast.

One company has complained to The Financial Post that its references from time to time to deposits of securities having been required by various provinces to cover liabilities to investors have been misconstrued by some people as a sign that the company must be weak. That, of course, is an entire misapprehension: a provincial regulation of such companies must be impartial and require from the strongest companies the same safeguards that it does from others. The mere existence of such a regulation is a safeguard for the future, that is, if it is to be permanent in its application.

(This subject will be continued in greater detail next week by discussion of the situations of individual companies selling these savings on investment certificates.)

Enquiries

National Sewer Pipe

I would appreciate any information that you have regarding National Sewer Pipe Co. What is your opinion of the Class "A" stock as to investment or speculative possibilities? Is this stock marketable at all times?

There is not a broad market for the Class A cumulative stock of National Sewer Pipe Co. of which there is only 28,305 shares outstanding. In 1933 to date, only some 700 shares have been traded on the Toronto Stock Exchange.

We have no indication as to the successful operations of the company in the current fiscal year which ends October 31, but passing of the common dividend on March 15, would seem to indicate that there has been no improvement in earnings or prospects up to that date. In the year ended October 31, 1932, the company earned $2.54 per share on the Class A stock and paid the usual annual dividend of $2.40 which has been paid regularly since the stock was issued in 1929. Sales of the company's products depend mainly on activity in building and construction in Canada and no material improvement in these lines has been noted so far. The financial position of the company, however, is extremely strong with more than half of current assets at $1,069,000 in cash, call loans, and high grade bonds. The company has no funded debt.

Consolidated Industries

Would you please give me your opinion of Consolidated Industries common stock? Does it appear from the recent balance sheet that the company is really insolvent?

The balance sheet of Consolidated Industries Ltd. as at March 31, 1933, indicates an equity for each common share of $2.09 as compared with $6.13 in the previous year and $8.62 at the end of March, 1931. On that basis, the bid price for the stock as at August 17 is practically the same as the equity behind each share and it is extremely doubtful if shareholders would get as much as $2.09 if the company were placed in liquidation.

The balance sheet shows an excess of $111,855 of current liabilities over current assets and it had cash of $8,494 while bank loans totalled $639,659. Bank loans have subsequently been reduced by well over $100,000 and trade creditors have agreed to extend liabilities owed by the company to them over a period of four years.

At the beginning of the current fiscal year, the company budgeted for a considerable reduction in sales and due to the consolidation of its operations and substantial reduction in operating costs, it was estimated that on this reduced volume of sales the company could break even. Judging on the basis of the first four months of operation, it would appear that the company may be able to keep within its budget. Inventories have been reduced to a minimum and the company will thus be able to avoid the heavy losses on inventories that have been taken in the last two fiscal years. Radio business which reaches its peak in December has not yet started and on the result of this end of the business will largely depend the showing to be made by the company for the year ended March 31, 1934.

Montreal Power

I would like you to give me your advice in regard to Montreal Light, Heat and Power, as I hold a number of shares. They cost me around $74 a share. Do you think they will come up to that price again?

Montreal Light, Heat and Power Consolidated is well regarded from an investment point of view. The company is the largest privately owned utility in Canada, supplying electricity, gas and coke services in the Greater Montreal area. The company has shown a consistent gain in operations and earnings. Its interest and dividend requirements continue to be earned by a comfortable margin.

There are no particular adverse developments affecting this company, and an increase in the Montreal Power stock values to what you paid is dependent upon many factors beyond our ability to forecast. Over a period of years, however, this stock should prove to be a satisfactory investment medium for you.

Montreal Tramways

Can you let me know the position of Montreal Tramways and whether or not earnings of the commission are sufficient to cover all obligations.

Montreal Tramways Co.'s position is somewhat indefinite at the moment. Earning power has shown a decline in the last two years and the amount of money available to the Montreal Tramways Commission in 1932 was insufficient to take care of its obligations in full. As you probably know, the company has a contract with the commission whereby the latter receives all the income from tramway operations and pays to the company 6 per cent on the capital investment plus a return on working capital and other minor charges. From the money so received, together with income from its investments, Montreal Tramways Co. takes care of the interest on its first mortgage bonds, general mortgage bonds, and capital stock. The commission has very limited reserves to meet any further deficit and there is an element of doubt as to the ability of that body to continue making the payments guaranteed under the contract. This uncertainty has been increased by the action of the company in reducing the dividend on its capital stock.

George Weston Ltd.

We are interested in a holding which was originally 50 shares of Weston Biscuit Corp. preferred and 50 shares common stock of no par value. This stock was exchanged for stock in another company known as the Weston Biscuit Co. Ltd., a Delaware corporation, on the basis of three shares of no par value common stock for each preferred share in the former company, and one share of the new stock for each 25 shares common stock, so that we now hold 152 shares of common stock no par value of the Weston Biscuit Co. Limited.

A broker in Toronto has approached us urging that these shares be exchanged for shares in the George Weston Ltd., a Canadian company, on the basis of two shares of the former for one share of the latter. It is represented that the desire of the company is to have the American company a subsidiary of the Canadian company and thus control the management, and it is further stated that already over 40,000 shares of a total of 50,000 shares in the American company have been exchanged.

Do you consider it is good business to make this exchange, and if the exchange were made would you hold the George Weston stock or sell at present prices?

Chief argument in favor of exchanging stocks of Weston Biscuit Co. for common stock of George Weston Ltd. is that stock of the latter company is listed on the Toronto Stock Exchange and has a ready market while dividends at the rate of $1 per share per annum would also be received. Shares of the American company have never had a market and there is no indication as to when dividends will be paid.

George Weston Ltd. earned $1.09 per share on its common stock in the year ended December 31, 1932, $1.46 per share in 1931 and $2.60 per share in 1930. There is no indication at the present time as to how much the company will earn on its common shares in the current year. We have never seen a report on earnings of the American company but believe that a good year was experienced in 1932 and that earnings have been somewhat better in 1933. If the American company can continue to show progress against its larger competitors shareholders might benefit more in the long run by retaining their present holdings but such a course would be a speculation upon a somewhat indenfiite future. For the investor who requires marketability for his investments and a present income the exchange has some appeal even though there is a sacrifice of principal.

Common stock of George Weston sold up as high as $49 per share this year from a low of $16.50. The high for 1933 exceeds the high for any year since 1929 when the stock sold up to $115 and then down to $18. In that year, rights were offered to shareholders to buy one additional share for each share held at $25 per share. George Weston Ltd. has a well-established business in Canada which has continued to expand in the last two or three years although this expansion has not as yet been fully reflected in earnings. As prices improve the full result of this expansion may be evidenced.

Loblaw Groceterias

Do you think it advisable, at this time, to sell Loblaw stock?

It is against the policy of The Financial Post to advise either purchase or sale of a security and we cannot, therefore, advise you to sell your Loblaw stock.

Earnings of this company have been very well maintained during the last three years in relation to sales and earnings of other industries and the company has each year improved its financial position until it is stronger today than it ever has been.

The dividend of 80 cents per share on the class A and class B stocks has been earned by a satisfactory margin each year and the payment of a bonus of 20 cents per share in December, 1932, might indicate that the dividend will eventually be raised to $1 per annum. Market quotations on the company's stock have not been subject to wide fluctuations and current prices show little change from those prevailing during the last few weeks. The market price, however, can be expected to move to some extent with the general trend in the market.

Canadian Paperboard

Have you any information at hand re the preferred stock of Canadian Paperboard Co.?

On June 19, bondholders of Canadian Paperboard approved the reorganization plan as presented to them early in May. This plan provides for the setting up of four companies to take over the properties in Montreal, Toronto, Frankford and Campbellford. The operating companies will be controlled by a holding company which in turn will issue preferred and common shares to Canadian Paperboard Co.'s creditors. The capitalization of the holding company will consist of $44,167 ten-year notes apayable to the Quinte and Trent Valley Power Co.; 15,687 preferred shares; and 13,821 no par value common shares. The preference shareholders of Canadian Paperboard will be given for each two preference shares, one new common share in the holding company.

The company's counsel is working on the details of the plan and it is understood that some time may elapse before definite steps will be taken to put it into effect.

Power Corp.

Can you tell me what bearing the proposed cut in Power Corp. capital will have on the company's common stock?

The proposed reduction in the book value of Power Corporation of Canada's common stock does not affect that security one way or the other. As you are aware, the company's investments have declined in value to a point where the book equity back of the common shares has depreciated to the extent of approximately $13,000,000. By writing down the value of this stock the balance sheet is made to reflect more closely the true position of the company. At the same time the company is able to effect some savings in taxation.

Rackets

Racket: "A trick, dodge, scheme, game, line of business or action."—Shorter Oxford English Dictionary.

Writing Threatening Letters

THE writing of threatening letters is about as despicable as any in the calendar of crime. A Muskoka foolish young man tried this kind of intimidation with Mr. George Ecclestone, M.P.P., and is now languishing in the Provincial Reformatory. Why not place the blackhander in the same category as the kidnapper?"—New Liskeard Speaker.

* * *

New Opening For Racketeers

AS A RESULT of thousands of new regulations established under the National Recovery Act to govern the conduct of business by industrialists and business in the United States a wide-open opportunity for racketeers to get busy in new lines has been given unless control of the situation can be kept by the Government. Hugh S. Johnson, the N.R.A. chief, announces the beginning of a nation-wide campaign to prevent sky rocketing prices and to wipe out "chiseling and cheating" practices in business.

* * *

Another "Veterans" Racket Charge

TWO men have been arrested in Toronto on a charge of collecting funds for the Front Line Veterans' Association, an association consisting of these two men. The name was a winner with the few women approached until suspicions were aroused, it was alleged.

* * *

Parade of Gunmen

GUNMEN, racketeers, swindlers, forgers, pickpockets and petty thieves in New York City are now required to parade through a darkened gymnasium under the glare of powerful electric lights and to answer questions asked through an inspector's amplifier. The inspector stands on a small platform with 200 detectives seated behind him scrutinizing the prisoner.

Police say the line-up is an invaluable aid in fighting crime. It allows the city's detectives to get to know virtually all habitual criminals and to study their characteristics. Even though the criminal may "beat the rap" detectives soon get to know him well.

* * *

Spanish Prisoner Re-emerges

SARNIA OBSERVER relates that Spanish Prisoner is up to his old tricks, Sarnia men are receiving the following letter:

"Being myself into prison in this city owing to a bankruptcy, I should desire to know if you would be disposed to aid me in the recovery of 1,200,000 pesetas in bank notes that I have into a trunk who is deposited in a railway station in France.

"To that end it would be necessary for you, coming to Spain, to pay the tribunal the expenses of my lawsuit in order that you may hold some papers of mine hidden in a secret pocket of a hand valise forming part of my baggages kept under seizure. Only with said papers can the aforesaid amount be recovered.

"Your reward would be the third part of the amount."—Miguel Lorenzo, Lista Correns, 421 La Bistal, Spain.

* * *

Slot Machines Multiply

CANADA is the scene of a fast growing and rejuvenated racket, the slot machine. This vehicle is operated by many respectable retail establishments for the entertainment of customers and for the profit of the proprietor. The form may be bagatelle, whirling symbols, miniature steam-shovels, or what not.

Those who have played the various machines aver that the game goes against them heavily. But that is a common complaint with gamblers. Elimination of such gambling devices by police has difficulties. Some are games of "skill" and others evade laws against gaming houses by various means. Bagatelle, for instance, appears to be a harmless pastime. But it is a gambling device when the proprietor has an understanding with his customers that a package of cigarettes will be awarded "for a certain score which may be attained for a nickel.

The steam shovel game is in a class by itself as a game of "skill." For five cents the player has a "chance" to pick up anything up to a combined $10 cigarette lighter and case. The prizes are usually deeply imbedded in cheap candies, and the player can manipulate the shovel approximately to a point at which it may pick up something. Players consulted by The Financial Post are firm in their belief that the chief evidence of "skill" at the game is evinced by the constructors of the machine. The claim is that it will not grasp the prizes readily. On one occasion a machine was observed to be in use which was out of order and which would grasp nothing for the player even if he were fortunate. There was no refund.

Recently a Toronto druggist operating one of these machines was threatened. The players were two impecunious-looking citizens. Chagrined they grasped the machine and shook it violently until all the prizes were in a horizontal position. But even then they could garner nothing. "Gee, I was nervous," said a clerk. "They were tough-looking guys."

Intermittently the police gather quantities of the machines and condemn them to destruction. But a new wave of installations is now sweeping into large Canadian cities. Apparently the racket is too profitable to suffer permanent extinction.

* * *

Made $80,000 in Rabbits

A RACKET in the sale and purchase of rabbits ended at St. Hyacinthe, Que., recently when Judge Emile Marin sentenced Wilfred Plante to three years hard labor in St. Vincent de Paul Penitentiary for defrauding the public of $80,000 under false pretences. Evidence revealed that Plante would buy rabbits at from $1 to $3 each and sell them as thoroughbreds at between $50 and $100 per pair.

As an inducement to buy he contracted with the purchasers of these rabbits to buy the young ones at $10 each. Those who know the mathematical ability of rabbits "to multiply rapidly" will realize that this was quite an inducement.

However, when young ones were later brought to him he refused to buy them on the ground that he was not pleased with them. This led to complaints.

Testimony in court showed that the rabbits had been sold by means of circulars on which was a picture of a rabbit farm which did not belong to Plante. He had a poultry farm but did not show a picture of that. This picture was one of the main means of showing that the $80,000 received by Plante had been obtained by false pretences.

* * *

Should Not Pay Kidnappers

KIDNAPPING has become at the moment almost the leading criminal activity in the United States. Considerable interest is attached to an article in the New York Law Journal recently which shows that it is clearly an offense against the law to secure restitution from criminals by promises to pay a ransom and agreement not to prosecute. It is as much of an offense to bow to this duress, it states, as it is to kidnap a person and hold him or her for reward. It deprecates the attitude shown by Americans who co-operate eagerly with friends and family of the person kidnapped to secure the return of the latter by the payment of money. The New York Law Journal says such an attitude toward the crime of kidnapping is so grotesque and preposterous, antisocial and criminal in itself as to cause amazement and mortification.

When John Factor, of Chicago, was returned to his family after the reputed payment of $50,000 as ransom to some unidentified men in a suburb of that city, Factor reported that the gangsters had in their possession a list of rich men they were going to abduct and hold for ransom. This naturally caused consternation because a few desperate, resourceful and well prepared criminals could kidnap almost any person in the United States.

* * *

Who Will Protect Employer?

HAROLD SEIDMAN, in "The Nation" recently states that at Washington busy men administering the National Industrial Recovery programme are seeing to it that the employers are being fair with labor through codes specifying exact hours and exact wages. "But," asks Mr. Seidman, "who is going to see to it that labor is going to be fair with the employers? Who is going to deal with the labor czars who rule unions with the help of strong thugs and political corruption?"

Harold Seidman refers to Sam Kaplan, of New York City, who, as president of Local 306 of the Motion Picture Operators, received $21,800 a year, three gifts of $55,000 voted him by the union and a terrific expense allowance, all for one or two days' work a week. During no time of his tenure did he render an accounting of the union's money. Kaplan was finally ousted at great expense and sacrifice by those who refused to knuckle under.

Seidman says that this is typical of what is going on in the building trades, electrical unions and countless others. The labor czars collect tribute both ways and, says Mr. Seidman, if labor and the employer are to be free from leeches, the Government will have to find the means of dealing with union racketeers.

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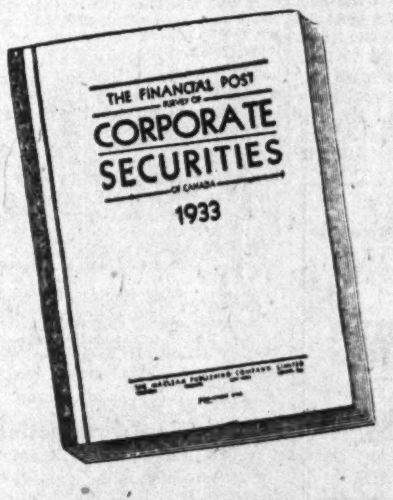

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SAY BANKS TAKE INSURANCE RISKS FROM U'RWRITERS

Winnipeg Association Claims Some Split Commissions

Protest against Canadian chartered banks engaging in the insurance business was made by the Insurance Agents' Association of Manitoba before the Royal Commission on banking in Winnipeg recently. The association claimed that branch banks particularly have taken a large share of the insurance business, in some cases, splitting the commission.

Bankers, it was contended, should not be in this business, either directly or indirectly.

J. W. Spears, assistant general manager of the Bank of Montreal, Winnipeg, questioned regarding this allegation, pointed out that under the Bank Act it was illegal for a manager or a bank to engage in the insurance business and stated that he would be very much surprised to find that bank managers had begun doing so. The question had been considered at previous revisions of the Bank Act, he said, and as lately as 1928, but there was no proof to show that it was being disregarded.

Insurance Case

The protest against banks being in the insurance business arose out of section 2 of a questionnaire sent out by the Winnipeg Board of Trade and a reply received from the Insurance Agents' Association of Winnipeg. Part of this reply is as follows:

"Our understanding is that the Bank Act at the present time prevents banks from directly entering or being interested in the insurance business but it is definitely known that one or more banks are indirectly so interested and it is practically our unanimous opinion that the Bank Act should be revised, preventing any bank or banks from being interested in any way either directly or indirectly in any insurance agency operating on a commission basis, and so being able to obtain all or some portion of the commission on business they are, owing to their position as a bank, able to direct through that firm.

"In view of the exceptional privileges granted to banks under the Bank Act, we consider it as definitely contrary to the public interest for banks to be engaged in competitive extraneous activities either directly or indirectly."

Forty Per Cent Agree

It was stated at the Bank Commission meeting that approximately 40 per cent of the balance of the replies to this questionnaire commented on the alleged practice of bankers' activity in the insurance field, mostly at country points, reference being made to bankers being interested in placing hail insurance and splitting commissions with the life insurance writers.

Approximately 60 per cent of the remaining replies declaimed any knowledge of bankers engaging in such activities.

Quote Bank Act

Section 75 of the Bank Act is the one which prohibits bank managers acting as insurance agents. It reads as follows:

"3. No agent or manager of any bank shall act as agent for any insurance company or for any person in the placing of insurance, nor shall any bank exercise pressure upon any borrower to place insurance for the security of such bank in any particular insurance agency, but nothing herein contained shall prevent such bank from requiring such insurance to be placed with an insurance company of which it may approve."

Lord Macmillan asked Mr. Spears if this was taken to mean that if the bank were making an advance and the collateral offered is an insurance policy, the bank is entitled to say, "Well, I want a policy from such and such an office?" The reply was in the affirmative.

AUTO ACCIDENTS DECLINE IN B. C.

1932 Record Shows 15.3 Per Cent Drop in Fatalities

A sharp decrease in the number of persons killed and injured through automobile accidents in British Columbia is revealed in the annual report of the Motor License Branch for 1932. The decline in fatalities was 15.3 per cent; and property damages were less by 35.3 per cent. Of those drivers who did get into trouble with the courts, 941 were convicted of driving to the common danger and 386 for passing schools at too fast a speed. Total convictions, including minor misdemeanors, was 2,930.

Suspension of licenses was carried out in 137 instances, the chief causes being driving to the common danger, driving under the influence of intoxicating liquors, and creating serious damage to persons including some cases of manslaughter. Sixteen minors were prohibited from driving cars and three drivers lost licenses for failure to return to the scene of accidents. Accidents totalled 3,144 involving 78 fatalities and 1,589 cases of injury to persons. Property damage was placed at $178,264.

Insurance Weans Staff From Depression Outlook

Owner of Manufacturing Plant Creates Business Incentive in His Sales Manager Through Business Insurance Plan

By R. M. HAULTAIN
London Life Insurance Co.
Fifth of a Series of Articles on "Business Insurance"

Harry Taylor, manufacturer, is prospering because he has a plan that has developed Jim Brown, his sales manager and right-hand man, into a keen profit producer.

The plan has become one of the fundamental pegs in Taylor's business structure. It is based on the principle of mutuality of interest.

It had been a long grinding pull through the depression. The responsibility of meeting his weekly pay roll and keeping the families of his 22 employees off the town's relief list had been wearing. At last the clouds were lifting and he felt that some Rooseveltian N. I. R. A. of his own was needed in the selling end of his business. His salesmen had lost their constructive business building outlook and had developed a complex that nobody had any buying power any more. He decided that a lot depends on the mental attitude of the sales manager in pulling a manufacturing business out of the muskeg of depression.

Taylor did some thinking and asked himself some questions. His thoughts ran this way.

Train of Thought

We must get more orders. Jim Brown is a good average fellow who probably thinks he has got as far as he can get with me and is reconciled to work along on what I pay him with a subconscious hope that something with a bigger salary will turn up. The depression has slowed down his vital spark.

But has he got as far as he can get with me? How can I fill him with incentive and get him to develop himself as a profit producing executive?

The answer to that undoubtedly lies in stock in the firm. How much stock? On what basis?

Then again, would Brown sweat blood into this business as I do now to make it pay dividends for my family if I died? Would he relish the idea of doing that for my estate with nothing definite in view for 10 or 15 years until my boys were old enough and experienced enough to take over from him? The business would probably be a dead horse by that time.

Credit would be curtailed and he would have extra difficulties.

Would he not be tempted to take over my agencies and buy control only of the business, probably on his own terms, during the disorganized period following my death? My executors might lose their nerve and sell for whatever they could get.

Answer Insurance

The answer to that seems to lie in some plan that would bring in cash for this business, at full value, if I do not live. In the interests of the business, Brown would be the logical man to whom to sell it. But this business is worth $60,000 today and should be worth $100,000 in a few years more. Brown could not put up $10,000 cash.

The answer to that seems to lie in Brown's insuring my life so that he would have the funds to buy the business.

Then again what about bank and trade credit? This is regarded as a one man business and my executors would be hampered by curtailment of credit.

The answer to that seems to lie in some form of business insurance, but what form?

The pressure of current details was heavy, so Taylor did not have time to concentrate on this trend of thought and only remembered it subconsciously.

One day a life insurance man called Stevens asked him this question, "Would you like to look into a method by which you could stimulate your right-hand man to greater efforts, enhance your credit, and guarantee a quick cash market for your business if you die, all under the same plan?"

This question had a familiar ring to Taylor. He knew that this was just what he wanted to do, but was hazy on the mechanics of it.

Agent's Plan

Stevens translated Taylor's thought into the following plan:

A 10 per cent stock interest (10 shares worth $600 a share) was put in trust. Brown was given a letter to the effect that two shares would be transferred to him each year for five years from the trust stock, provided that he was still with the firm. The letter also stated that at the end of five years a further ten shares would be transferred to him on the same basis if Taylor saw fit. The trust stock would be voted by Taylor until transferred to Brown.

A formal agreement was drawn between them to the effect that, if Taylor died he bound his executors to sell all his stock to Brown under the terms of the agreement. Also that on Taylor's death, Brown agreed to buy all Taylor's stock under the terms stated. If Brown died first, his stock was to be sold to Taylor in the same way.

To finance the agreement and provide Brown with the money to buy Taylor's stock, Taylor's life was insured in favor of Brown for $27,000, half the value of Taylor's interest less the trust stock. Brown was to pay the premium deposits on this policy. The dividends from the trust stock were to be used for the purpose.

It was estimated that the dividends from the trust stock would not be sufficient to carry full coverage on the whole of Taylor's stock interest, so the purchase of the business by Brown would, under the agreement, be on the basis of half cash, the balance over ten years. At the end of five years if Taylor decided to sell Brown a further ten shares, and Brown wished to take them up, the intention was to step up the insurance on both men's lives so that the sale of stock either way would be on a cash basis.

Brown's life was insured in favor of Taylor for the value of the trust stock, i.e., $6,000, Taylor paying the premiums. If Brown died first the full value of the trust stock was to be paid in cash to his estate, Brown's stock and the trust stock being transferred back to Taylor.

If neither one died until after retirement, Brown was to get the cash values in the policy on Taylor's life when he, Brown, retired. This removed the element of Brown gaining only if Taylor died.

Taylor believed that one of the best investments a business can make is in the men who build it. He felt that this investment in Brown of a stock bonus each year would pay them both better dividends than a system of profit sharing cash bonuses, and that the guarantees assured under the plan would be more attractive to Brown than cash bonuses.

He figured that as business runs in cycles, a plan of this nature started at the beginning of a prosperity period would have such substantial values built up in the insurance policies that they would carry themselves through the next depression period.

He reported the business insurance plan to the mercantile agency.

Gave Reasons

He could find no better way of accomplishing with one plan the five objects of:

1. Giving his right-hand man the most powerful incentive possible.
2. Creating a guaranteed market, at full price, for his business if he died.
3. Arranging the continuation of his business under the same management, thus making the future as safe as possible for his employees.
4. Building a liquid cash reserve that would be available in case of emergencies.
5. Strengthening his credit.

Brown was mightily pleased with the arrangement. He saw that it was up to him to make the stock earn the dividends to carry the plan. He saw that in five years time he would own a 10 per cent interest, and in ten years if he threw his weight in to the best of his ability he would own a 20 per cent interest, with, in the event of Taylor's death, control of the business guaranteed at any time instead of the danger of being out of a job. He also saw that if Taylor did not die he, Brown, would have a substantial cash retirement fund built up in the insurance policy, as well as his stock.

The business insurance plan produced some results that were not foreseen by the inventors of life insurance. It became a byword in the trade that Brown had been the first sales manager to make his salesmen really believe that the depression was over for them.

Footwear Imports Reduced From Previous Year's Figure

There has been a considerable reduction in the importation of leather footwear during the past year and this was also the case in July when the total was valued at $26,753 compared with $73,707 in June and $40,819 in July, 1932.

The largest item as usual was women's footwear with leather uppers, the total being 5,641 pairs as compared with 18,936 in June and 8,553 in July, 1932. United States supplied 4,055 pairs valued at $11,341, United Kingdom 1,188 at $2,273 and Czechoslovakia 398 at $505. Men's footwear on the other hand came mainly from Great Britain, the number being 1,350 pairs at $5,309, from United States 461 at $1,934 and from Czechoslovakia 20 at $7.

Canadian exports of leather footwear are small, the number in July being 1,753 pairs with the United States, Great Britain and Trinidad the chief market.

Higher Coal Production In July Than Last Year

Coal production in Canada during July totalled 675,631 tons, an advance of 3.6 per cent over July, 1932, output of 651,910 tons but a decline of 35 per cent from the 1928-1932 average for the month of 1,039,892. The output of bituminous coal in July amounted to 599,482 tons; sub-bituminous coal, 15,208, and lignite coal, 60,941.

Nova Scotia's production of 342,966 tons recorded an increase of 10.9 per cent over the July, 1932, total of 309,142. Alberta mines produced 197,316 tons as compared with 197,158 in the corresponding month last year. Coal production in British Columbia decreased 15.3 per cent to 94,713 from the July, 1932, output. Mines in Saskatchewan produced 17,816 tons and in New Brunswick, 22,820 tons; in July, 1932, the outputs were 19,075 tons and 14,720 tons, respectively.

LLOYD'S APPROVES ARBITRATION PLAN MARINE COLLISIONS

Follows Salvage Agreement Closely—Establishes Procedure

The Committee of Lloyd's has approved and adopted a standard form of agreement which has for its purpose the provision of machinery for dealing with marine collision cases by arbitration.

Success of the Lloyd's standard form of salvage agreements, which is used by ship owners and salvors of many nationalities, has suggested that those concerned in collision cases may welcome the establishment of recognized arbitration procedure dealing with these cases expeditiously and economically.

Explanatory Statement

The following statement has been issued in explanation of the new form of agreement:

"It is probable that one reason why arbitration has not been more frequently resorted to in collision cases is that there has not hitherto been any recognized machinery or form of arbitration agreement available. At present the whole proceduure for dealing with these cases has in view the courts as the ultimate goal, and although one can imagine that the parties interested may have frequently thought that a particular case could, for various reasons, have been dealt with much more expeditiously by arbitration, the fact that there has been no established arbitration tribunal, and that there does not exist any machinery for the furnishing of appropriate security, has made it necessary that the case should be dealt with by litigation.

"Under Lloyd's form of salvage agreement the Committee of Lloyd's have come to be recognized throughout the world as a suitable intermediary, by whom the security is held and who arrange the ultimate arbitration and the final settlement of the award. The experience gained in dealing with these cases encourages the committee to think that similar methods can be used for dealing with collision cases by arbitration.

Wide Application

"It is not suggested that Lloyd's form of collision arbitration agreement will provide suitable means for dealing with every case of collision, as the facts surrounding some cases are such that the court can be the only satisfactory tribunal. At the same time those who are accustomed to handling these matters can put forward many reasons why a large number of cases could be dealt with more quickly and cheaply by arbitration.

"The Committee of Lloyd's, in connection with the collision arbitration agreement, have also drawn up forms for the giving of the necessary security, to be held by the committee pending final decision by the arbitrator, and in order to avoid the inconvenience which follows arrest should there be any delay in furnishing security there is a form on which the solicitors acting for either side can undertake to provide such security as may be found necessary. It should also be noted that in the event of either party subsequently deciding to begin proceedings to limit his liability, the security lodged with the Committee of Lloyd's can be utilized for the purpose of payment into court should a limitation decree be made.

Follows Salvage Plan

"An examination of the machinery provided by the new Lloyd's form at once shows the similarity with that provided by the salvage agreement. Both forms allow for appeal against the decision of the original arbitrator, although it is obvious, of course, that the forms must differ in some respects; for instance, the collision form provides for awards, firstly, as to liability, and, secondly, as to amount; it allows for the arbitrator or any of the parties to ask for the assistance of nautical assessors, who, with the co-operation of the Trinity House, will be provided by that body.

"There is also a provision which allows the arbitrator to arrange for a preliminary hearing so soon as the general nature of the collision is known. After discussion and consideration the arbitrator can then indicate or direct what evidence should be given, what witnesses, if any, should be called, so that he may see them and hear them cross-examined. He will be able to take their evidence at times convenient to the parties—in fact, he is put in the position of being able to conduct the case as economically and expeditiously as possible. It should also be noted that under the collision agreement provision is made for the costs to be taxed by a registrar or assistant registrar of the Admiralty Court."

REPAYMENT FORM FOR POLICY LOANS BRINGS RESULTS

Canada Life Innovations Provides For Monthly Repayments

In order to facilitate the repayment of policy loans, the Canada Life Assurance Company some time ago sent out to all policyholders who had outstanding loans against their policies a printed form on which it was suggested that arrangements be made for installment repayments. It is understood that the response to this innovation was most satisfactory.

Five dollars a month is the smallest repayment suggested on the form, the highest amount on the list being $50 with a blank space provided for higher repayments. The form points out the saving in interest that can be accomplished by these repayments and stresses the restoration of the cash reserve on the policy. On completion of the repayment agreement, it is pointed out that a reminder will be sent to the policyholder when repayments fall due.

Agreement Form

Wording of the repayment deposit agreement is as follows:

To save interest and to restore the cash reserve in this policy, I wish to remit each month the amount checked herewith, to be credited to me as repayment on account of the policy loan:

(Then follows a list of amounts from $5 to $50 with a space for higher amounts).

I wish to make my repayments on the first of each month commencing first of .... until the full reserve value and the insurance protection under the policy have been re-established.

For immediate deposit to my credit on account of the loan, I am enclosing herewith a remittance of $.... '

This arrangement shall not in any way amend, change or waive any of the terms or conditions of this policy, or loan agreement.

DIRECTORS ARE LIABLE UNDER NEW U. S. LAW

(Continued from page 3)

There can be no doubt that Canadian securities offered for sale across the line are subject to the provisions of the act. This means that the issuing company must file a registration statement complying with the requirements of the act. Wilful violation of the act is punishable by a fine of not more than $5,000 or imprisonment for not more than five years, or both. The civil liabilities incurred by the issuer, or its directors, etc., have already been explained. While it is held that the imposition of fines or a jail sentence could hardly be made effective against Canadians (as Canadian courts will not enforce penal legislation of a foreign country), nevertheless the far more drastic civil liabilities might be enforceable. In any event denial of the use of the United States mails would be an effective penalty for violation of the act.

It is clear therefore that the sale of securities in the United States places a heavy responsibility upon any issuing company. Canadian executives who are considering the sale of a new issue, part of which may find its way into the American market, are advised to secure careful legal advice with respect to the implications of the act.

EDITOR'S NOTE.—It is not within the scope of this series of articles to discuss every detail of the U. S. Securities Act; consequently certain features of it which are of no particular significance to Canadian readers, as well as certain exemptions and exceptions, have been intentionally omitted. This is the third article of a series discussing investor protection in Canada, the U. S. A. and Great Britain.

Ottawa Does Not Enforce Companies Act is Claim

Act Needs Amendment to Protect Investors in New Security Offerings, Declares Winnipeg Official

By D. L. ROSSINI*

We have been reading for some time now, about the defaults and subsequent reorganization of Corporations, most of which were financed by the public between 1927 and 1930. The causes attributed to the defaults vary with the nature of the business conducted by the company, but for the most part the present trade depression is blamed for most of the trouble.

It would appear to the outsider, however, that over-capitalization is the rock on which many of these corporations have perished. Over-capitalization, resulting in an unnecessary straining to pay interest and dividends on too large a capital, (represented too often by promotion or watered stock) had left the corporate body in such a weakened condition, that it fell an easy victim to the depression.

It is a comparatively easy matter to hold a post-mortem on a deceased person or company and, by doing a little research work, come to a reasonably correct conclusion as to the cause of death. It is not such an easy matter to diagnose the ailments of the living, especially when the patient declines to give essential facts.

Ignore Important Provisions

Most of the large corporations that have gone on the rocks in recent years were incorporated under the Dominion Companies Act, the provisions of which with regard to the furnishing of essential facts have been ignored in almost every new issue offered to the public during the last five years.

This act defines "prospectus" as, "any prospectus, notice, circular, advertisement or other invitation offering to the public for subscription or purchase, any shares or debentures of a company."

The act states every prospectus issued by or on behalf of a company, or by or on behalf of any person who is or has been engaged or interested in the formation of the company must state—and then follows a list of requirements. The contents of the letters patient and the names of the incorporators may be excluded from any prospectus published in the newspapers, but this is the only exception to the publishing of the information called for by the section which briefly is:

(a) Contents of letters patent, etc.

(b) Qualification of directors and their remuneration.

(c) Names of directors or proposed directors.

(d) Minimum subscription for allotment purposes, etc.

(e) Number and amount of shares and debentures issued or agreed to be issued, fully or partly paid otherwise than in cash and the consideration.

(f) Names and addresses of vendors of property purchased or acquired by company or proposed to be, and which is to be paid for out of proceeds of issue offered, or the purchase or acquisition of which has not been completed at date of issue of prospectus and the amount payable in cash, shares or debentures to the vendors.

(g) The amount paid or payable as purchase money in cash, shares or debentures, for any such property specifying amount paid for goodwill.

(h) Amount paid (within two preceding years) or payable as underwriting commission.

(i) Estimated preliminary expenses.

(j) Amount paid (within two preceding years) or intended to be paid to any promoters and the consideration.

(k) Dates and parties to every material contract (certain exception).

(l) Names of auditors.

(m) Particulars of interest of any directors in promotion of or property proposed to be acquired with a statement of amount paid or agreed to be paid him in cash, shares or otherwise to become or qualify him as a director, or otherwise, etc.

(n) Outline of voting rights of different classes of securities.

(o) The proportion of the consideration received or set aside as "distributable surplus" from shares with no par value.

Who is to Blame?

It is apparent that if answers to all these questions had been set out in the advertisements appearing in the press and prospectuses issued at the time of offering securities to the public, much of what is sometimes referred to as the "financial piracy" that took place in connection with certain of our larger companies would have been made much more difficult, if not impossible. The question naturally arises as to why the officers of the Government, whose duty it is to see that the Companies Act is complied with, allowed this wholesale breach of the act to go on, and whether it is the intention of the Government that continued breach of the act will be permitted.

It may of course be offered in defense that the act only applies to companies offering their own stock and it is possible that a good lawyer might successfully argue that the act does not apply to underwriters of a company's securities. If this is so then it is high time that the act was amended to include underwriters, for we suspect that much of the financial juggling was done by the underwriters.

"On Behalf of Company"

However, let us look at the act again. It reads, "Every prospectus issued by or on behalf of a company or by or on behalf of any person who is or has been engaged or interested in the formation of the company must state" and then follows the statutory information. A firm of underwriters that buys out a business and reorganizes or recapitalizes that business is unquestionably a person engaged or interested in the formation of the company. We know of course that this process of buying and reorganizing is usually done through a third party either an individual or a company used for the purpose. But this is nothing more or less than a subterfuge so far as the act is concerned.

The intention of the act is to throw the spotlight on the inside history leading up to the formation or reorganization of the company, to let the public know the purpose for which their money is to be used and generally to give them a clear picture of essential facts. When this has been furnished the public can form their individual opinions on the value of the securities offered.

What is Vendor?

The act defines the word "vendor" and would appear to place a limit upon its application which is not the generally accepted one. The wording is as follows:

"For the purposes of this section every person shall be deemed to be a vendor who has entered into any contract, absolute or conditional, for the sale or purchase, or for any option of purchase, of any property to be acquired by the company, in any case where

"(a) the purchase money is not fully paid at the date of issue of the prospectus;

"(b) the purchase money is to be paid or satisfied wholly or in part out of the proceeds of the issue offered for subscription by the prospectus; or

"(c) the contract depends for its validity or fulfillment on the result of that issue."

Amendment is Needed

It will be seen that under the above definition the word "vendor" only applies to a person who has sold property to the company and has not been paid for it in full at the time of the issue of the prospectus. In ninety-nine cases out of a hundred when a business is sold to a company the property acquired is paid for in cash or by the issue of securities to the Vendor. The price paid for the business by the company is a very important and essential fact and should be divulged to the prospective purchaser of the company's securities, irrespective of whether the purchase price has been paid in full or not. The act might well be amended to cover this point.

The underwriter or broker who is carrying on a legitimate business can have no objection to the publication of all the information asked for under the act or in fact for any information connected with the company whose securities he is offering. The broker or underwriter who is unwilling to publish such information must be regarded with suspicion.

These are just a few observations on a question that should receive the immediate attention of the Government at Ottawa.

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* Mr. Rossini, who wrote this article on the operation of the Dominion Companies Act is secretary of the Winnipeg Stock Exchange but has asked The Financial Post to make it clear that he is expressing his personal opinions and that the article is not to be regarded as the official opinion of the Winnipeg Exchange.

July Auto Financing Slightly Down From 1932

The number of retail sales of new and used automobiles, trucks and buses financed in Canada during July indicate a drop of 14 per cent, as compared with July, 1932. The total number of vehicles financed was 5,831 as against 6,632 and the amount of financing was $2,128,333 compared with $2,473,597.

New vehicles financed were 1,766 in July and 2,087 in July, 1932; while used vehicles numbered 4,065 in July, and 4,545 in July, 1932. The amount of financing for new vehicles was $1,138,620 and $1,245,578 in July, a year ago; and the total for used vehicles was $989,713 in July as against $1,228,019 in July, 1932.

July Auto Sales Down 35 Per Cent From 1932

Retail sales of new passenger cars, trucks and buses in Canada reported to the Dominion Bureau of Statistics by nineteen companies, whose sales comprise over 90 per cent of total Canadian sales, indicate an increase of 35 per cent as compared with July 1932. The total number of vehicles sold was 5,140 compared with 4,017 in July, 1932; and the retail value was $5,045,231 compared with $3,729,211 in July, 1932.

There were 4,569 new passenger cars sold in July as against 3,473 in July, 1932; while trucks and buses numbered 571 compared with 544 in July, 1932. The retail value for new passenger cars was $4,492,645 compared with $3,261,756 in July, 1932, and the total for trucks and buses was $552,586 as against $467,455 in July, 1932.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE, PAYING DIVIDENDS RANGING FROM 20% TO 30%

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

LIFE ASSURANCE is the BEST INVESTMENT!
A man can create an estate for himself of $1,000, $2,500, $5,000, $10,000, or more—all dependent upon his position, income and prospects. SUN LIFE assurance will enable him to reach this objective within a specified time, with safety and without loss or impairment of principal.
If death should intervene, life assurance will do what no other investment can guarantee—it will make the full intended principal available at once for his family and will carry through the programme he had planned for them.
There is a Sun Life plan exactly suited to your needs and expert advice is at your service.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

FIRE - AUTOMOBILE - MARINE - CASUALTY
An Insurance Agent
can firmly establish himself only through years of helpful service to his clients.
Agents representing the Western Assurance Company have found the spirit of co-operation and fair dealing adhered to by this Company a bedrock upon which to build a satisfied clientele.
ASSETS over $8,000,000
LOSSES PAID since organization of Company in 1851 over $112,500,000.00
WESTERN ASSURANCE COMPANY
HEAD OFFICE - TORONTO

Have you these UNUSED ASSETS ... in YOUR BUSINESS?
If your company does not carry life insurance on the lives of your "key men" you are leaving unused, business assets that have a very tangible value these days.
Credit organizations are placing greater importance on the amount of life insurance carried in favor of a company large or small—and rightly so.
In the event of the death of an important officer or partner it provides immediate cash to liquidate his interest or pay off other obligations, and to avoid the embarrassment of dealing with his estate. It strengthens the company's financial position at a time when it comes under critical inspection. It avoids a strain on company resources.
THE GREAT-WEST LIFE Assurance Company has a plan of particular interest to every business director who can appreciate the part life insurance would play in strengthening his organization. Full details will be given gladly without obligation, and a copy of the company's latest financial statement will be sent on request.
THE GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE: WINNIPEG
THE GREAT-WEST LIFE ASSURANCE COMPANY
Mail THIS COUPON
THE GREAT-WEST LIFE ASSURANCE CO., WINNIPEG, MAN.
I am interested in your plan. See attached letter. Without obligation send particulars. Dept. 47-K.
Name ....
Address ....

Bank Chat on Current Topics

Debit Totals Out of Line

JULY gains in the volume of bank debits make hopeful reading to those looking for signs of improvement in our times but despite an increase of 46 per cent over June figures after adjustment for seasonal tendencies and an increase of 62.2 per cent over July, 1932, figures, a close examination fails to reveal definite signs of improvement in business debits as a whole.

July, 1933, was a month of abnormal speculation in stocks and commodities and volume of business done by brokers exceeded the previous all-time peak of October, 1929. Chief volume of this activity was largely confined to the largest trading centres, Montreal, Toronto and Winnipeg. July debits for all Canada exceeded June debits by $545,400,000; Montreal, Toronto and Winnipeg debits alone increased by $543,719,000, which leaves a net gain of $1,700,000 to be divided among the remaining 29 clearing houses in Canada. Seasonal variation between June and July makes the gain more real than is apparent by the figures, however.

But there is no seasonal variation between July, 1933, and July, 1932. In July, 1932, debits for Canada totalled $2,175,590,000. July, 1933, figures therefore showed improvement of $1,352,234,000 over those of the corresponding month of 1932. But, for the same periods, the debits reported for Montreal, Toronto and Winnipeg showed a gain of $1,293,800,000, leaving a net increase for the remaining 29 clearing houses of only $58,434,000.

There can be little doubt but that the totals of bank debits in Montreal, Toronto and Winnipeg are largely affected by the activity on their respective exchanges. In so far as the totals are affected, the figures fail to reflect basic business improvement. Improved prices for securities and commodities do much to inspire a feeling of hope and confidence in the hearts of the public; may tempt the more venturous manufacturer to stock up for future demand but until the farmer gets the benefit of high prices for his produce and the manufacturer gets definite orders to fill it cannot be said that business is on the uptrend. Too slavish reading of business indices without a proper understanding of how they are made up and what they actually show may lead the business man into following false prophets.

* * *

Central Bank for India

A PLAN for a central bank for India has been drawn up by a special committee set up for the purpose. The plan put forward, which will be submitted to the Indian legislature within the year, has in mind the principles elaborated by the first round table conference that "with a view to ensuring confidence in the management of Indian credit and currency, efforts should be made to establish on sure foundations and free from any political influence, a reserve bank which will be entrusted with the management of the currency and exchange."

It is significant that the committee has recommended the bank to be owned by private shareholders and not to be a Government or semi-Government institution. The Government of India will have the right of appointment of a minority only of the board of directors and will make the appointment of the governor of the bank from a panel submitted to it by the directors. This is an attempt to set up a non-political institution which, at the same time, will be satisfactory to the Government in power.

* * *

WHILE the bank is to be a private institution, it is recommended that the dividends to be paid to shareholders should be limited to a maximum of six per cent.

Unfortunately, the many differences between the monetary and financial problems of Canada and those of India make the considerations which were in the minds of those proposing the central bank for India inapplicable to Canada. But it is significant that the sponsors apparently have in mind their bringing the bank under the influence of the Bank of England, perhaps even as a satellite institution. It is recommended that the Bank of England be appointed as an agent for the Indian reserve bank in England. Likewise, it is recommended that India remain on the sterling standard and that the present exchange rate of the pound to the rupee should be maintained. In these respects, as well as in many others, the plan for a central bank for India is one that would be quite unacceptable to most Canadians, were it offered for this country.

Staff Changes

The **Imperial Bank** announces the following staff changes:

J. S. PROCTOR, formerly accountant, King and Bay Sts., Toronto branch, has been promoted to assistant manager and F. FINDLAY, formerly accountant, King and York Sts., Toronto branch, has been appointed accountant, King and Bay Sts. branch.

D. N. JOHNSTON, formerly assistant accountant, King and Bay Sts., Toronto branch, has been appointed assistant accountant King and York Sts., Toronto branch.

L. H. FERRIER, formerly assistant accountant, King and York Streets, Toronto branch, has been appointed acting accountant, King and York Sts. branch.

J. BURGOYNE, formerly assistant manager, Winnipeg, Man., has been appointed acting manager, Prince Albert, Sask.

H. S. MANN, formerly accountant-in-charge, Eckville, Alta., has been appointed manager at that point.

AN ALL-CANADIAN INSTITUTION

1866 1933

SERVING A GREAT CITY IN 1886

Almost half a century ago, in 1886, this Company engraved an issue of bonds for the City of Montreal. Throughout the years, since before Confederation, safety requisites have been provided to cover municipal financing. Today the Company is engraving debentures for municipalities all over Canada.

British American Bank Note Company Limited

1112 Bank of Hamilton Bldg. TORONTO
HEAD OFFICE OTTAWA
511 Place d'Armes MONTREAL

Current Events in Banking World

East States Opposition To Central Bank Plan; Treats Banks Favorably

Royal Commission on Banking and Currency Hears Witnesses in Maritimes and Quebec — Sessions Are Shorter Than in West

PRAIRIE PROVINCES WANT MORE CREDIT

Manitoba Wants State Control of Credit — Quebec Objects —Selling of Securities by Banks Condemned by Winnipeg Board of Trade — Eastern Opinion Also Against This Activity

Evidence submitted to the Royal Commission on Banking and Currency in Eastern Canada has opposed formation of a central bank in Canada as strongly as evidence in the West favored such an institution. Hon. R. F. Stockwell, provincial treasurer of Quebec, has declared himself as strongly against a national system of banking and stated that advocates of it "have confiscation in mind as their ultimate goal."

Objections to a central bank included the cost of establishment, and the possibility that provinces sympathetic to the Federal Government of the day might get preferred treatment. "In a general way the clauses of the Bank Act and the Finance Act can effectively accomplish many of the functions claimed by those who advocate the establishment of a Dominion central bank.

Hearings in Halifax, Charlottetown, Saint John and Quebec City have been brief. The number of witnesses appearing before the commission have been fewer in number and their evidence much less voluminous than was the case in Western Canada. Montreal, Toronto and Ottawa hearings are expected to be more extended.

Oppose Central Bank

Sitting in Quebec on September 5, the commission heard a brief from the Board of Trade that expressed doubt as to whether a central bank would improve financial and commercial conditions in the Quebec district; objection to banks dealing in securities belief that the banks were doing all that could be done to "maintain confidence of the people by endeavoring to achieve sound and solid progress in the financial and general welfare of industry and commerce." Alfred Marois, president of the Quebec Boot & Shoe Manufacturers' Association, said that the banks had provided ample credit and despite falling prices had refrained from adopting a harsh policy of calling up advances. In place of a central bank, Mr. Marois suggested a bureau of information that would keep the banks advised as to the financial needs of industry. Lumbering in the province had had too much, rather than too little, credit, according to J. M. Dessereault, who outlined the position of the industry.

More complete coverage of the evidence presented before the commission will be given in The Financial Post as official transcript of evidence is received and as space permits. Evidence given in Victoria and Vancouver was published in The Financial Post of September 2, with the exception of the last few witnesses appearing in Vancouver carried below. Evidence presented in Calgary and Winnipeg is given in this issue.

Criticize Banks

Mr. Ford, a farmer, reeve of Pitt Meadow in the Fraser Valley, did not have a very good opinion of banks; stated that he had been high-pressured by a bank manager into taking a loan of $3,000 in 1929 which was paid off but on a subsequent loan of $2,000 he had been pushed for repayment. He objected to the prices he had to take for his livestock and of the prices he had to pay for supplies purchased. He gave an instance of his inability to get a bank loan of $100 to pay up his taxes although he offered as security valuable properties free of any encumbrance.

Mr. Edwards, a director of the Fraser Valley Milk Producers' Association, mentioned the inability of Chilliwack to secure a bank loan of $90,0000, the bank reducing the amount to $70,000 of which $20,000 had to be used to pay off an overdraft. He dealt with the reduced income of the farmers and stressed the tremendous burden of an interest rate of eight per cent. The tendency had been for the banks to shorten the term of loans to two or three months. Present rate of interest paid to the banks was seven per cent, recently reduced from eight per cent, while the rate on trade paper was still eight per cent.

W. F. Thompson, president of a corn growers' association, stated that his association operated a cannery and had been promised banking accommodation to run the cannery if they could secure orders for 50 per cent of the canned crop. While these orders were secured the offer of banking accommodation was withdrawn and financing had to be done elsewhere. Lacking bank credit members of the association had to be paid in script.

C. E. Hope, Vancouver, laid emphasis on the burden of taxation. He suggested that the corporations be prevented from placing too high values on their offerings of new securities; that the wages of capital should have a fixed maximum of say 10 per cent. He wanted the Dominion Government to set up a revolving fund, without a gold backing, to be loaned to municipalities for non-liquidating works which would relieve the unemployment situation.

C. C. F. Urges Socialization

W. C. Pritchard, representing the British Columbia section of the Cooperative Commonwealth Federation, presented a brief urging the advisability of "socialization of all financial machinery — banking, currency, credit and insurance, to make possible the effect control of currency, credit, prices and the supplying of new productive equipment for socially desirable purposes." He also wanted "a new taxation policy designed not only to raise public revenues but also to lessen the glaring inequalities of income and to provide funds for social services and the socialization of industry; the cessation of the debt creating system of public finance."

J. H. Creighton, representing the British Columbia Teachers' Federation, submitted three resolutions; that the provinces should seek Federal legislation providing relief from present high interest charges; that the governments control interest rates by immediate refunding of debts and that future rates of interest should vary inversely as the value of the dollar; and that the banking system be completely nationalized with sole right to issue currency and control credit resting in the Federal Government.

D. A. Davidson proposed nationalization of banks, loans to provincial and municipal governments without interest sufficient to pay off debts and engage in useful public works on a large scale; conscription of wealth if necessary; preparation for making Canada a technocratic; socialistic or co-operative state.

Calgary Wants More Credit

Sitting in Calgary on August 18, the Royal Commission on banking and currency held its sixth day of public hearings. Witnesses were urged by Lord Macmillan, chairman, to bring forward critical evidence since the burden is upon those who seek to show that there is anything wrong with the institutions of Canada.

First brief to be presented in Calgary was that of the city which criticised present credit facilities, and claimed a differentiation between eastern and western Canadian borrowers including difference in the rates of interest charged. Present rates of interest varying from 5½ to 6 per cent on short term loans to municipalities were stated to be excessive. It was felt that provinces and cities, through the agencies of the provinces, should be allowed to borrow money from the central Government on terms no less favorable than those that apply to advances by the Government to the banks. Present difficulties of western municipalities in securing credit from the banks were stressed and it was stated that existing debts of Canadian public bodies should be refunded upon a lower interest basis.

It was also recommended that as long as Canada does not permit redemption of its notes in gold at par and the free export of gold the federal Government should take legal steps to domicile within Canada all bonds of Canadian municipalities held by Canadians and to restrict the payment of any contract, bond or debenture, calling for payment in gold, to payment in legal tender of the Dominion as full settlement of the obligation. With respect to obligations payable to investors abroad, it is proposed that the federal Government should either provide gold for export or should agree to indemnify municipalities and others against any additional expense caused by the Dominion Government's failure to honor its original statutory obligations. The federal Government should constitute a permanent commission whose duty it would be to advise upon and have supervision over the foreign borrowing of provinces and municipal governments.

Rights of Borrowers Should be Protected

The Calgary Board of Trade through G. S. Moffatt, K.C., urged that the Government should give assurance to lenders that the security upon which they loan money will not be interfered with by legislation. There has been no reduction on rates of interest payable on commercial loans in Alberta, although interest paid on savings has been reduced by 0.5 per cent and the Commission is asked to investigate the extent to which loans made by the banks to municipal and provincial bodies has curtailed the amount of money available for commercial purposes. Trend of legislation in Alberta has been to impair the security of contracts, render investment and security for money loaned unsafe, particularly where farmer-borrowers or farmer-purchasers are concerned. Willingness of the banks to supply credit may be greatly affected by provincial laws and anything that affects the free movement of capital, the safety of investment, the stability of contracts, and the credit of the borrowers must react against the safety of the banks' investments and securities within the province. As a result of legislation in Alberta, capital is being withdrawn by loan companies, insurance companies, mortgage companies and others controlling capital.

Farmers' Credit Over-Extended

Mr. Layzell, a dealer in livestock, had not encountered any cases among farmers where credit had been unduly restricted although reasonable security was offered. Falling prices on livestock had seriously affected the security that the farmer could offer. Mr. Layzell claimed that many farmers had over extended themselves in the purchase of equipment such as tractors, combines and other machinery for which they would have need possibly only one year in ten. Upon questioning from Mr. Brownlee, Mr. Layzell stated that over expansion in the farming districts with which he was familiar had arisen during the war very largely the result of national demand. Livestock had depreciated by 75 per cent since 1925; export business to the United States had been cut off and the British market was too far distant.

Meat Packers Satisfied

Mr. Corlet, of P. Burns & Co., addressed the Commission from the standpoint of the meat packing industry, stating that relations with banks had been "most happy." His company bought livestock on the hoof which was slaughtered and processed, financing being done under Section 88 of the Bank Act. Exports include hogs and products, and certain canned products. Only from 5 to 7 per cent of the total production is exported, however. The company had paid 6 per cent interest without variation for many years. The company is materially affected by exchange rates and when the £ sterling is down to $3.60 or $3.75 the company could not get into the British market. Since England is a surplus market only, British buyers seek lower prices as the pound drops in terms of Canadian funds. Chief competition comes from Denmark, Lithuania and Poland.

R. L. MacMillan, rancher from High River, Alberta, stated his relations with the banks had been very good and that he had paid 7 per cent interest to the bank for several years. Pegging of the pound at $4.60 last spring by the Canadian Government had aided livestock men in exporting to Great Britain. This meant a difference of $6 to $7 a head on cattle. Mr. MacMillan stated that he believed that successful ranching in Alberta depended largely upon the position of the Canadian dollars with the pound sterling. Mr. MacMillan also added that the banks should cooperate with stock raisers to a greater extent by reducing interest for the next year or two and if this reduction were effected, it might enable the cattle industry to survive. Mr. Sine, in the retail lumber business, paid 6 per cent on bank loans and had no complaints to make regarding the banks. Peak turnover was in 1929 and since that time there had been a reduction of 40 per cent in volume.

U. F. A. Urge Controlled Inflation

Robert Gardiner, M.P., president of United Farmers of Alberta, presented the brief for that organization and stated that the western farmer has been educated to do his business on credit and that his greatest problem has been the great fluctuation in the price of his products. After three years of deflation the farmers find themselves practically without credit facilities to even purchase binder twine. The Canadian banks were accused of not taking any constructive effort to remedy present conditions although the farmers' security is no longer adequate because of the collapse of prices. Neither inflation or deflation should be necessary in a properly controlled money system but the organization urges controlled inflation which would provide such an expansion of currency and credit as may be required to restore the price levels to the point at which they stood before the present depression began. Canadian farmers were stated to be paying a higher rate of interest than were their competitors in foreign countries.

It is suggested that the time has come when Canada should establish a nationalized system of currency and credit unattached to any metallic base or to any specific commodity, that its objectives should be the effective control of currency and credit, stability of the price level and regularity of production, consumption and employment, control of foreign exchange and generally the maintaining of a proper relationship between consumer, purchasing power and the goods and services available for use. Such objects could be obtained only through a nationally owned Government bank. Such a bank, controlled by bankers and operated for profit, would not work but the bank should be owned by the Government and operated on a cost basis. The board would be appointed by the Governor-in-Council and be representative of the major economic activities of the country. The first duty of the board would be the raising of the average commodity price level to a point which would make possible the liquidation of existing debts. The bank would act as fiscal agent for the Dominion Government and be prepared to act in a similar capacity for provincial and municipal governments while it would also act as an advisory board to the Government with regard to all matters of taxation. Another proposal is that the Dominion Government should immediately embark on a substantial programme of useful public works, financed by direct use of the National credit to provide employment and place purchasing power in the hands of consumers.

Norman Priestley, vice-president of the United Farmers of Alberta, stated that it was not generally known throughout the province that the banks had recently reduced interest charges from 8 to 7 per cent on farm loans. He stated that interest charges in some cases went as high as 9 and 10 per cent. Interest at eight per cent was compounded at the end of 30 or 60 days.

Farmers Lack Confidence

F. G. Brown stated that the great majority of farmers were not very well satisfied with the banks since they had no long term system of credit available to the farmer who required a much longer term than the business man who is constantly renewing his stock. Mr. Pilling claimed that there were three groups of borrowers in Alberta, the favored group, the deserving group, and the group that is not deserving and declared that he had been in all three classes. He stated that there was a lack of confidence between farmers and bankers in Alberta due to farmers borrowing money from the banks that they knew they could not repay at the maturity of the note which was run for only three months. The farmer could not repay his loan until the crop was marketed. Satisfactory relationship between a borrower and a bank manager might be entirely changed with a change in management of the branch bank. Exchange on cheques was stated to be excessive. Colonel Robinson, a member of the U. F. A., stated that in the minds of many farmers there was not much difference between the banks and big business because of the interlocking of directorates.

A. C. Mackay, speaking for the Retail Merchants' Association, claimed that under the present system merchants carried all responsibility and financial liability connected with their part in the business of distribution. In normal times, the wholesaler provides the retailer with credit for 30, 60 or 90 days and the banks extend the margin of further credit sufficient to enable him to carry his business until such time as the consumer not only has purchased the goods but pays for the goods, either in cash at the time of sale or after a credit period. Alberta farmers are indebted to retail merchants to the extent of between $40,000,000 and $50,000,000 (not including debts owed to merchants in Calgary and Edmonton) an average of $9,500 per store. Most of this amount is overdue and long outstanding, and collection will be a slow process. With the low prices of farm products the farmer has been unable to pay his debts to the retailer. It was suggested that procedure and machinery must be developed whereby the state can permanently control credit and the management of currency. A. C. Mackay, secretary of the association, stated that the retailer is taking the place of the bank in many communities.

Mr. Maybank, representing the Alberta Pharmaceutical Association, objected to the service charges of the bank of 5c on every cheque issued and the same on drafts accepted, in addition to the stamp tax. He stated that this service charge was made on cheques drawn on banks in the same town in which the cheque was issued. He stated that he had been charged this service fee on one occasion and after he had complained the amount had been credited to his account.

Wants Rate Reduced

Mr. Henderson, a wheat farmer operating 1,600 acres 45 miles east of Calgary, stated that he had always paid 8 per cent on bank loans, which were extended for three months and when the loan was renewed the interest was compounded. Mr. Stapleton, a rancher north of Medicine Hat on the Red Deer River, stated that there were only three years in the past 12 in which ranchers had made money in his locality and he felt the banks should help by reducing the interest rate.

Harold E. Crowle presented a brief favoring the creation of a central bank and opposing the nationalization of banks. He believed that the government should not be trusted with the sole control and management of public credit and that monetary policies must be free from political as well as all other influences. He believed that the custom of the chartered banks in keeping between 10 and 12 per cent of their entire resources in legal tender money in Canada, was unnecessary and that most of this legal tender could be deposited with a central bank while chartered banks retained their right to note issue.

Through its control of money and credit, the central bank would guide the policies of the chartered banks, would inspire confidence in times of depression and provide a warning in times of prosperity. In case the chartered banks would not lend to certain classes of borrowers the public should be permitted to place before the central bank for review all complaints by borrowers seeking new loans or discounts or renewals of same from any of the other banks. After consideration by the central bank board the matter might be referred back to the member bank for reconsideration. Should the member bank still not extend credit, the central bank could either provide the discount and loan direct to the approved borrower or use disciplinary power to force the member bank to do so. It was proposed that the central bank should be divorced from the government control and that while the board should be appointed by the government for a term of possibly five years and be representative of commerce, industry and agriculture, there should be no member of the government on the board. The bank would have branches in each of the leading cities of Canada.

Security Lacking

J. B. Corbett, superintendent of Alberta branches for the Canadian Bank of Commerce, with whom was associated J. H. Menzies, supervisor of Alberta branches for the Royal Bank and G. R. F. Kilpatrick, presented a brief on behalf of the banks. After outlining the hazards confronting farmers in Alberta a brief stated that the average farmer is dependent upon the proceeds of his production to liquidate bank advances since his capital is largely represented by land, buildings, and farm equipment only. When the value of the farmers' production is not sufficient to pay his fixed charges such as taxes, mortgage interest, etc., and the liabilities incurred to cover his operating expenses it is usually incumbent on the bank and his other creditors to carry him over for another season. In order to protect the money of depositors, the bank may require the borrower to give such security as may be available for the "past due debt" and this security usually takes the form of a mortgage upon land or chattel mortgage on machinery, equipment, and live stock. The Bank Act, however, stipulates that such chattel mortgage shall not include any personal property which is by statutory enactment exempt from seizure under writs of execution.

This stipulation does not apply to any other creditor who may take or hold chattel mortgage security. There are also certain statutory enactments of the province which affect credit and a creditor's right to recover and under the Homestead Exemption Act the homestead of the debtor is exempt from seizure providing it does not comprise more than 160 acres in area. In 1926, out of 77,000 occupied farms in Alberta, nearly 31,000 were of 160 acres or less. Under the conditions prevailing, it is stated that the banks would have no justification in extending credit merely to farmers who were in an involved financial position and whose ability to pay had been seriously affected. However, in 1932, such advances of a substantial, but unstated, sum were made to 30,000 borrowers.

Loans are made to ranchers on security of assignment of their live stock under section 88 of the Bank Act with an adequate margin in marketable value to protect the bank against price fluctuations. While conditions have not been favorable to ranchers in the past few years the position of the ranching industry is better than that of grain farmers.

It was stated that the average grain farmer had no security to give the bank when a loan was made and had not property that could be hypothecated to the bank legally. Many loans were made on personal credit only, approximately 75 to 80 per cent of advances to farmers were on the unsupported note of the borrower. After securing such a loan, there is nothing to prevent the borrower from incurring other liabilities and giving security for them so that when the time comes to repay his various loans there is not sufficient security to go around among all the creditors, including the banks. Compounding of interest on notes amounts to very little where the individual is concerned but serves to reduce losses on operating many branches. During the past two years, at least, from 50 to 75 per cent of country branch banks in Alberta had been operated at a loss.

Manitoba Wants Central Bank

The Royal Commission on Banking and Currency held sessions in Winnipeg, Man., on August 24 and 25. Premier John Bracken urged, on behalf of the Government of Manitoba, that the chief immediate problems of the prairie provinces are (1) the raising of the price level of primary products some of which reached the lowest price in the economic history of the west last year (2) providing work for those out of employment which number more than 70,000 in Manitoba, or 10 per cent of the population (3) correcting the inequity of the present position of debtors whether they be individuals, corporations, or municipal or provincial governments. He urged the establishment of a central banking institution and did not agree that the present Finance Act can be so amended as to provide the necessary degree of independence from either political pressure or the chartered banks. He stressed the need of short term credit for agriculture in the west and the stabilization of the domestic price level and of exchange. The province favors that credit be provided to enable the carrying out of a carefully planned programme of useful public work as well as a programme of self-liquidating works which in a reasonable time would meet the service of the debt incurred. He quoted resolutions passed at the last session of the Manitoba Legislature which urged action to effect a rise in prices of primary products to a normal relationship with other products to bring about a reduction in interest rates on individual contacts as well as on municipal, provincial and federal indebtedness. Wide markets are essential to the western farmer and unless profitable markets are found for the primary products inevitable ruin faces three quarters of the agricultural industry of Western Canada.

The City of Winnipeg, represented by Alderman Rice-Jones, asked the Commission to include in its investigation the whole question of banks engaging in underwriting, promotion and the purchase and sale of securities either as members of syndicates underwriting issues or as members of selling groups. With the object of declining the status and functions of banks and banking officials as far as marketing of securities for public purposes is concerned.

Banks Are Adequate

E. C. Gilliat, representing the Winnipeg Board of Trade, stated that 71 per cent of answers to a questionnaire sent the membership of that organization considered the present banking system adequate to meet the requirements of Western manufacturing, while 77 per cent of replies felt that the banks were adequately meeting the needs of the distributors.

Criticisms of the banks were largely that interest charges are too high and that too many obstacles are placed in the way of small borrowers obtaining accommodation. On the question as to whether the banks adequately meet the requirements of Western agriculture from the production and marketing standpoint, 74 per cent of the replies were in the affirmative for production and 60 per cent for marketing. The Insurance Agents' Association of Winnipeg stated that at least one and possibly more banks are indirectly interested in the insurance business and proposed revision of the Bank Act to prevent banks from being interested in any way either directly or indirectly in any insurance agency operating on a commission basis. On the question as to whether banks should conduct a stock and bond business, 71 per cent of replies were in the negative. With regard to the establishment of a central bank, 71 per cent of replies were in the affirmative.

Would Repeal Finance Act

Professor W. B. Hurd, Dean of Arts at Brandon College, advocates repeal of the present Finance Act and the establishment of an independent central reserve bank to serve as a depository for commercial bank reserves to take over the rediscount function to engage in foreign exchange operations and to have charge of the servicing of the national debt for the handling of the Dominion Government accounts and the issue of bank notes in the place of the Dominion note issue. It is suggested that the note issue privilege of the banks be retained by them substantially as under the present Bank Act so that their commercial banking service need not be curtailed nor their profits which are not considered unduly large, be materially affected.

Professor Hurd felt that reduction in the number of bank branches would be contrary to public interests. He suggested that the central bank could be financed by contributions from the commercial banks in proportion to their capital while the federal government might also participate. The central bank would not exist for private profit.

Sanford Evans presented a series of charts to the Commission showing the course of exchange rates and commodity prices. He favored a central bank but did not feel that Canada had suffered to any extent up to the present time by not having one.

Roy McPhail, representing the United Farmers of Manitoba, said that it would seem that banking has been developed more especially to meet the needs of the commercial and industrial classes. He suggested that in the future bankers and other business men throughout Western Canada should be more conservative than in the past in giving a price to farmers to speed up their activities both in grain and live stock production. His organization favored a central bank which should be able to develop a flexible discount rate and if such a bank is established it should be so organized to be neither under the control of existing banks or under direct Government control. Resolutions were placed on record recommending the scaling down of debts and general reduction of all interest rates on both public and private loans.

J. T. Hull, representing Manitoba Co-operative Conference, with a membership comprising co-operative associations with a membership of some 30,000. This organization favored a central bank and such changes in the banking credit and currency system as would raise the general price levels to the price level of 1926 to provide the measure of control and regulation required to preserve a reasonably stable general price level to provide the authority to co-operate internationally to preserve a reasonably stable exchange especially with the countries who purchase our agriculture products and to furnish credit facilities to agriculture on terms not more onerous than those provided for in ordinary business.

Banks Should Not Sell Bonds

D. L. Rossini of the Winnipeg Stock Exchange was the first witness on the second day's hearing in Winnipeg. Strong protest was made as to the activity of the banks in dealing in securities. It was claimed that certain banks had opened special departments for purchase and sale of securities; have bought for distribuiton Government, municipal and corporation securities; accepted orders for listed securities and have executed for customers orders in unlisted securities. Such actions are held to be not in the best interest of the public since they involve some degree of risk; place the bank in the position of guardian, principal and agent; may result in undue pressure on the customer. The broker and dealer is placed in a position where he must borrow from his competitor and the bank has access to information regarding the dealers business that may be used to the advantage of the bank.

R. T. Evans, of the North Western Grain Dealers' Association, stated that the banks had at all times provided ample credit for the handling of crops. The financing is carried out under the provisions of the bank act and the security has been such that banks have been able to advance up to 85 to 90 per cent of the value of the grain involved. The association has been satisfied that present Canadian currency has been adequate; feels that stabilization of foreign exchange rates is a matter for international action. Stability in exchange is to be desired but the association does not suggest that a central bank would attain this end.

Mr. Hebert, reeve of De Salaberry, engaged in mixed farming stated that the banking system was functioning properly; complained only that interest rates at 8 per cent were too high in relation to present farm income. Mr. Hume, a general farmer in south western Manitoba, stated that interest rates were too high and terms of loans were too short.

Rural Credits Failed

R. F. McWilliams, K.C., dealt with rural credits in Manitoba. The societies operated successfully from 1917 to 1920. Thereafter they were not successful due to unsound loans. The banks refused to lend more money and the province opened a savings office deposits in which were used by the Government to finance rural credits, which were not subject to close examination. Mr. McWilliams felt that bank loans should be for a longer period than three months; should mature when the farmer would get payment for his produce. He felt that the United States offered a splendid example of a central bank and doubted if Canada could do any better.

E. K. Marshall, secretary of the Manitoba Teachers' Association, stated that school boards had had difficulty in raising money even for primary education; a central bank might give elasticity to the present

(Continued on page 15)

Weekly Bank Clearings

	Aug. 31 1933 $	Change year ago %	Aug. 24 1933 $
Halifax	1,746,060	—7.3	1,810,129
Saint John	1,265,921	—18.4	1,677,803
Moncton	624,580	—3.6	555,574
Sherbrooke	505,687	—8.7	546,642
Quebec	3,286,808	—18.7	3,282,423
Montreal	69,042,504	—17.7	67,528,195
Ottawa	2,962,336	—11.6	3,411,104
Kingston	425,297	—16.2	459,844
Peterboro'	405,262	—14.7	514,765
Toronto	85,399,871	+7.2	77,929,890
Hamilton	2,876,991	—4.7	2,956,827
Kitchener	663,222	—5.5	756,092
Brantford	523,993	—3.4	604,732
London	1,688,872	—20.7	2,332,912
Chatham	336,495	—9.1	338,804
Windsor	1,781,040	—18.3	1,764,681
Sarnia	237,472	....	330,820
Sudbury	496,965	+15.2	526,763
Ft. William	398,053	—14.4	567,390
Brandon	245,823	—20.9	257,784
Regina	3,926,874	+42.7	2,621,142
Saskatoon	938,418	—26.7	1,067,490
Pr. Albert	208,687	—7.3	241,331
Edmonton	2,361,681	—28.6	3,008,762
Calgary	3,939,315	—4.4	4,391,814
Medicine Hat	201,609	+29.4	213,402
Lethbridge	308,997	+13.9	306,811
N. W'minster	441,179	+10.2	401,305
Vancouver	12,629,551	+11.8	12,598,906
Victoria	1,237,870	—0.9	1,289,266
Winnipeg	50,866,495	+14.0	59,633,366
Moose Jaw	368,701	—12.1	929,292

Monthly Bank Clearings

	August, 1933 $	August, 1932 $
Toronto	398,219,650	319,620,837
Montreal	360,743,797	321,772,706
Halifax	8,824,905	8,665,768
Saint John	7,295,025	7,835,263
Moncton	2,598,741	2,663,096
Sherbrooke	2,493,722	2,629,243
Quebec	16,572,573	17,485,690
Ottawa	15,849,456	16,420,057
Kingston	2,260,441	2,389,141
Peterborough	2,252,926	2,287,944
Hamilton	14,309,603	14,876,715
Kitchener	3,583,760	3,278,930
Brantford	2,787,842	2,992,222
London	9,430,083	9,073,645
Chatham	1,770,025	1,600,076
Windsor	9,062,632	10,234,339
Sarnia	1,470,662	1,588,125
Sudbury	2,398,411	1,954,690
Fort William	2,426,169	2,396,859
Brandon	1,270,147	1,454,808
Regina	16,503,093	13,281,242
Moose Jaw	2,468,206	2,017,706
Saskatoon	5,240,986	6,223,979
Prince Albert	1,122,244	1,099,136
Edmonton	14,228,424	15,862,203
Calgary	24,206,168	19,758,770
Medicine Hat	987,039	758,770
Lethbridge	1,544,456	1,499,694
New Westminster	2,055,748	2,032,043
Vancouver	64,428,731	54,622,409
Victoria	6,389,389	5,859,292
Winnipeg	360,477,524	184,582,299

Foreign Exchange

FOREIGN exchange markets were steady in the week ended Sept. 2. Gold currencies tended toward strength, but non-gold moneys showed only minor variations in relation to one another. Canadian dollars have continued to demonstrate the balance which they strike between the pound sterling and the United States dollar.

Some close observers are of the opinion that the United States dollar is the safest currency medium in the world despite inflation threats. Federal Reserve purchases of securities have been continued on only a moderate scale. But American business is still sceptical of the dollar, according to reports. Large American balances are still being held in other currencies, this policy having been profitable up to the present.

* * *

IT IS worthy of note that a situation in regard to the American dollar has been created somewhat like that of the franc when Great Britain was driven off gold. At that time repatriation of large foreign balances by French citizens, who had sent money abroad years before, resulted in a heavy influx of gold to France. It upset the gold standard apple cart. The present situation is that Americans have sent or left funds abroad in fear of depreciation of the domestic currency. Some day this money will be returned to the United States. If the volume is as large as some reports indicate, the effects on foreign exchange values may be severe.

FOREIGN EXCHANGE

New York Funds

	High	Low	Last Year High	Last Year Low
	(Premium) %	(Premium) %	(Premium) %	(Premium) %
Aug. 29	5 1-4	4 11-16	12 3-8	12 1-8
Aug. 30	5 1-4	4 13-16	12 3-32	11 15-16
Aug. 31	5 1-4	5 1-16	12 3-8	11 1-2
Sept. 1	5 1-4	4 15-16	11 1-2	11 3-8
Sept. 2	......	......	11 3-8	11 3-8
Sept. 4	......	......	11 3-8	11

STERLING, FRANCS AND LIRE

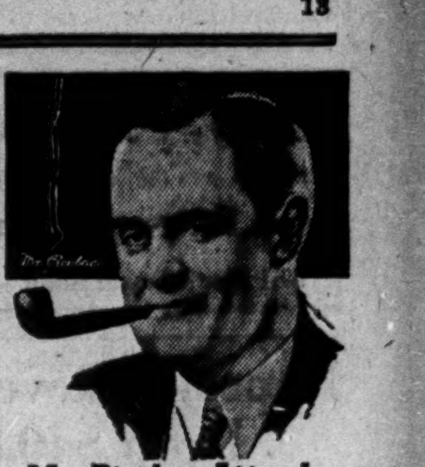
Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 29	4.55	.0560 1-2	.0755
Aug. 30	4.54	.0556	.0748
Aug. 31	4.53	.0558	.0748
Sept. 1	4.52 1-2	.0561	.0754
Sept. 2	4.54 1-2	.0569	.0764
Sept. 4	......	......	......

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Aug. 29	4.76 5-8	0.0585	0.0788
Aug. 30	4.76	0.0584	0.0782
Aug. 31	4.76 1-4	0.0586	0.0787
Sept. 1	4.75 3-8	0.0589 1-2	0.0791
Sept. 2	......	......	......
Sept. 4	......	......	......

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Aug. 29	0.3568	0.2087	0.2897
Aug. 30	0.3558	0.2085	0.2890
Aug. 31	0.3573	0.2092	0.2881
Sept. 1	0.3583	0.2100	0.2861
Sept. 2	......	......	......
Sept. 4	......	......	......



Mr. Picobac Attends a Montreal Cabaret

The head waiter led the way to a table at the edge of the shiny dance floor, beckoning to the Master of Ceremonies as he did so. Coming over, the latter greeted Mr. Picobac with a hearty handshake and led him out on the floor, where the chorus immediately engulfed him.

"Ladies and gentlemen," announced he; "we are honored in having with us this evening our old friend Mr. Picobac, the Burley philosopher of Essex County, Ontario, who will now say a few words."

Caught thus entirely by surprise, and embarrassed by the proximity of so many beautiful girls, Mr. Picobac was for the moment at a loss.

"I did not expect—nor do I intend at this time—to make a speech," he began amidst applause; "I just want to call your attention to one thing." "Picobac," suggested an enthusiastic listener.

A twinkle came into Mr. Picobac's eye.

"It's a mild : : : cool : : : sweet smoke," admitted he, taking his seat.

Picobac tobacco, "the pick of Canada's Burley crop, grown in sunny southern Ontario," is the manufactured product of a favored climate, a favoured soil and the most modern systems of cultivation, curing, grading and maturing. Try it. On sale everywhere.

—and don't forget, you get more tobacco for your money.

Good for making cigarettes too!

Handy Pocket Tin, 15¢ —also in ½ lb. Humidor Tins

"IT DOES TASTE GOOD IN A PIPE!"

Picobac

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Kuntz's Old Time Stone Ginger Beer

The kind OLD ENGLAND brews.

Have you ever tasted the real : : : genuine : : : old country Ginger Beer?

The kind they serve in the jolly old London pubs and the quaint old wayside inns—Stone Ginger Beer? Listen! You get the same "head" : : : the same sparkle : : : the same delicious tang in Kuntz's Stone Ginger Beer. It is brewed after a famous old English recipe. It's the real thing! Try it! Prove it!

THE KUNTZ BREWERY, LIMITED
WATERLOO and TORONTO

Kuntz's
STONE GINGER BEER

In Transparent Amber Glass Bottles, Visibly Pure Sterilized and Inspected

5¢

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(Established in 1907)
Unlisted Bonds and Stocks
3rd Floor, Royal Bank · Toronto, Can.

Deposits Reverse Trend; Drop $40,849,000 in July

Bank Statement Shows Loans Down But Increase in Canadian Call Loans Reflects Stock Market Activity

Decrease in current loans and loans abroad, drop of $40,849,000 in demand and savings deposits, increase in holdings of government securities, balances with foreign banks and Canadian call loans are the chief features of the July bank statement. The trend toward greater liquidity still continues and demand for loans by industries who are in a sound enough position to be able to borrow has apparently not materialized; current loans, in fact, were down by $10,678,000 during July and the only increase made in loans was that of $7,176,000 in Canadian call loans, presumably a reflection of the stock market activity of early July.

After four months of increasing volume of deposits the total dropped by $40,849,000, of which $33,776,000 represented demand deposits, the remainder time or savings deposits. Not since 1929 has the volume of savings increased during July, so that the trend during July, 1933, can almost be regarded as seasonal. Foreign deposits were also down. Canadian depositors have $1,881,129,000 to their credit with Canadian banks, $55,869,000 more than at the end of July, 1932.

Liquid Resources Higher

Immediately available liquid resources were increased by $15,416,000 during July despite the shrinkage of call loans abroad, which amounted to 19.7 per cent of the June total. Balances in foreign banks were up by $27,509,000 during the month and holdings of government securities were higher by $9,792,000. Holdings of public and railway securities and loans to provinces and municipalities showed a small reduction. Liabilities to the Dominion Government increased by $40,412,000.

The statement of the chartered banks as at July 31, 1933, compared with the statement at the end of June, 1933, and that at the end of July, 1932, is as follows:

	July, 1933 $	June, 1933 $	Change $	July, 1932 $	Change $
ASSETS					
Immediately Available Liquid Resources					
Specie	49,542,459	50,948,517	— 1,406,058	54,849,376	— 5,306,917
Dom. notes	137,488,975	138,058,520	— 569,545	123,096,319	+ 14,392,656
Gold reserve	20,681,732	21,181,732	— 500,000	24,781,732	— 4,100,000
Foreign banks	110,455,998	82,947,182	+ 27,508,816	105,566,563	+ 4,889,435
Foreign curr.	21,784,889	21,584,987	+ 199,902	16,478,271	+ 5,306,618
Govt. secs.	648,457,349	638,665,556	+ 9,791,793	466,932,820	+181,524,529
Call loans ab'd.	80,285,417	99,894,097	— 19,608,680	75,646,278	+ 4,639,139
	1,068,696,819	1,053,280,591	+ 15,416,228	867,351,359	+201,345,460
Loans and Securities Other Than Those of Canadian Government					
Public secs.	163,197,520	165,915,260	— 2,717,740	153,439,699	+ 9,757,821
Railway secs.	54,268,310	55,573,524	— 1,305,214	53,688,832	+ 579,478
Can. call loans	108,693,858	101,518,053	+ 7,175,805	111,928,646	— 3,234,788
Current loans	889,085,311	899,782,928	— 10,697,617	1,028,450,440	—189,365,129
Loans abroad	144,286,182	152,772,212	— 8,486,030	164,344,571	— 20,058,389
Prov. loans	20,174,003	21,660,790	— 1,486,787	20,192,460	— 18,457
Mun. loans	132,337,529	135,218,549	— 2,881,020	130,650,216	+ 1,687,313
	1,512,042,713	1,532,441,316	— 20,398,603	1,662,694,864	—150,652,151
Other Assets					
Non-curr. loans	14,394,605	14,259,354	+ 135,251	12,908,450	+ 1,486,155
Real estate	7,889,303	7,890,107	— 804	7,257,081	+ 632,222
Mortgages	6,325,934	6,301,346	+ 24,588	6,019,515	+ 306,419
Premises	78,857,957	78,826,979	+ 30,978	79,954,607	— 1,096,650
Lets. of credit	47,872,259	45,537,597	+ 2,334,662	48,317,201	— 444,942
Loans to comp.	13,256,078	13,358,478	— 102,400	12,922,789	+ 333,289
Other assets	1,459,785	1,567,217	— 107,432	1,316,472	+ 143,313
	170,055,921	167,741,078	+ 2,314,843	168,696,115	+ 1,359,806
Total	2,750,795,453	2,753,462,985	— 2,667,532	2,698,742,338	+ 52,053,115
Note cir. dep.	6,738,704	6,774,117	— 35,413	6,585,629	+ 153,075
Int. bank bal.	106,122,036	129,228,816	— 23,106,780	84,483,468	+ 21,638,568
Gross	2,863,656,193	2,889,465,918	— 25,809,725	2,789,811,435	+ 73,844,758
LIABILITIES To the Public					
Circulation	132,186,129	137,742,040	— 5,555,911	134,570,441	— 2,384,312
Dom. Govt.	53,450,535	13,038,028	+ 40,412,507	15,541,789	+ 37,908,746
Prov. Govt.	23,624,436	22,233,121	+ 1,391,315	33,063,201	— 9,438,765
Govt. advances	49,644,000	51,944,000	— 2,300,000	38,500,000	+ 11,144,000
Deposits by Public					
Demand dep.	501,272,039	535,048,009	— 33,775,970	462,087,114	+ 39,184,925
Savings dep.	1,379,856,960	1,386,930,428	— 7,073,468	1,363,172,444	+ 16,684,516
Total	1,881,128,999	1,921,978,437	— 40,849,438	1,825,259,558	+ 55,869,441
Foreign dep.	300,596,302	324,920,903	— 24,324,601	299,379,198	+ 1,217,104
Due to Banks Abroad, Etc.					
Un. Kingdom	6,168,540	5,226,829	+ 941,711	5,673,036	+ 495,504
Foreign	33,648,783	32,346,757	+ 1,302,026	51,780,786	— 18,132,003
Bills payable	1,968,294	571,980	+ 1,396,314	1,709,973	+ 258,321
Lets. of credit	47,872,259	45,537,597	+ 2,334,662	48,317,201	— 444,942
Other liabs.	2,134,791	2,204,066	— 69,275	2,217,538	— 82,747
Total public liab.	2,532,423,068	2,557,743,758	— 25,320,690	2,456,012,721	+ 76,410,347
Due bet. banks.	12,375,815	14,984,627	— 2,608,812	8,087,404	+ 4,288,411
Liability to Shareholders					
Dividends	972,341	650,802	+ 321,539	1,193,726	— 221,385
Reserve	162,000,000	162,000,000	....	162,000,000	....
Capital	144,500,000	144,500,000	....	144,500,000	....
Gross	2,852,271,224	2,879,879,187	— 27,607,963	2,771,793,851	+ 80,477,373
Credit index*	53.0%	52.1%	+ 0.9%	62.4%	— 9.4%

*Ratio of current and call loans in Canada to demand deposits in Canada.

3 MILLION POUNDS SALMON EXPORTED

Newfoundland's Exports This Year Approximate 1932 Figure

Total exports of fresh, chilled and frozen salmon from Newfoundland this season approximated very nearly 3,000,000 pounds, as far as figures are available, according to the Saint John's Daily News. The two largest exporters were Hudson's Bay Company, who shipped 1,048,694 pounds from Cartwright and Harvey & Company who are understood to have exported about 900,000 to various agencies.

The bulk of fresh salmon was shipped from Labrador this season partly because the Newfoundland run was apparently smaller and because the presence of Arctic ice interfered with this fishery, especially in Bonavista, Notre Dame, and White Bays. In fact, the salmon run was practically over before the nets could be worked without interference from ice.

Charge Quebec Oddfellows With Insuring Illegally

A writ has been issued in Superior Court, Montreal, charging that the Independent Order of Oddfellows Grand Lodge is carrying on an insurance business illegally in the province of Quebec, under authority of the provincial attorney-general.

The action is expected to affect the status of various mutual benefit societies, a number of which operate in Quebec.

Lumber Exports in July Had Big Volume Increase

The export of planks and boards in July totalled 116,179,000 feet valued at $2,044,923, compared with 43,199,000 at $1,607,801 in June and 37,846,000 feet in July, 1932. This large export included 50,797,000 feet at $831,672 to Great Britain and 43,199,000 at $952,880 to the United States.

Spruce and Douglas fir predominated. Australia and China bought large quantities of the latter. Shingles to the United States and Douglas fir square timber to Australia were important items.

Retail Sales Indices Declined During July

Index numbers of retail sales fell from 86.1 in June to 73.7 in July. Boots and shoes decreased from 104.5 to 74.6; clothing from 103.7 to 68.4; drugs from 75.0 to 72.3; dyers and cleaners from 103.7 to 75.9, and furniture from 46.4 to 33.5.

General and Departmental fell from 96.4 to 80.7; groceries and meats from 76 to 73.3; hardware from 99.2 to 81; and music and radio from 15.9 to 14.4. Candy sales increased from 55.3 to 60.1 and restaurants from 57.2 to 58.4.

Asbestos Exports Gain

The Canadian exports of asbestos sand and waste during July totalled 13,490 tons valued at $406,436 compared with 6,714 tons at $193,838 in July, 1932. The export of asbestos manufactures was valued at $12,139 as against $3,374 a year ago. The chief buyers were the United States, Germany, Japan and the United Kingdom.

Stocks for Recovery

The Financial World's recent analysis of 10 Outstanding Stocks for Recovery has proved profitable to subscribers. This group is still selling at attractive levels. Every coming issue of The Financial World will contain analyses of outstanding security values. Send only $1 for our next four issues and we will include "10 Stocks for Recovery," also the current issue of our 48-page Stock Rating and Data Book covering 1,300 stocks; also "5 Low-Priced Stock Laggards," "Three (balanced) Security Programs," "A New Basis for Selecting Stocks" and "Sound Investment Rules." Return this "ad" with $1.00.

The FINANCIAL WORLD
53 (F.P.) PARK PLACE NEW YORK

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING SEPTEMBER 4

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % Sept. 2		Sales	Close Aug. 28 (or last)	Week Ending —Sept. 4— High	Low	Close
				A					
4.00	.25	.	...	Abitibi	1105	2.00	2.00	1.85	2.00
10	1	.	...	Do. pref. 6%	310	6	6	5½	6
x80	80	.	...	Acme F. D'y p	....	..	..	..	..
8	4	.	...	Agnew Surp.	20	7½	7½	7½	7½
65	57½	7	10.8	Do. pref.	....	65	..	..	..
10	3½	.	...	Alta. Pac. Gr.	10	6	5⅛	5⅛	5⅛
40	20	.	...	Do. pref.	....	30	..	..	..
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
10	3	.	...	Do. pref.	10	8½	9	9	9
x3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
1.00	.15	.	...	Asbestos	100	1.00	1.00	1.00	1.00
1.00	.50	.	...	Do. pref.	50	.75	1.00	1.00	1.00
15	3½	.	...	Assoc. Brew.	90	12½	13½	12	12
82	65	7	8.7	Do. pref.	100	80	82	77	77
x8	3	.	...	Assoc. Can.	....	..	..	..	..
†69	65	.	...	Assoc. Tele.	....	..	..	..	..
				B					
155	127	10	6.6	Bk. Can. Nat.	12	152	152½	152	152
221	150	8	3.9	Bk. Montreal	110	202	204	200	202
285	228	12	4.2	Bk. N. Scotia	30	281	285	280	285
215	199	10	5	Bk. Toronto	5	200	200	200	200
17	10	.	...	Barcelona	....	17	..	..	..
8	1	.	...	Bathurst Pr.	85	5	5½	5½	5½
2	1	.	...	Do. (B)	50	1½	2	1¾	1¾
†26	26	.	...	Bawlf Grain	....	..	..	..	..
20	6	.	...	Do. pref.	....	9	..	..	..
7	3	.	...	Beath & Sons	....	5½	..	..	..
15	3½	.	...	Beatty Bros. A	20	10	10	10	10
70	53	6	8.7	Do. pref.	5	70	69	69	69
8½	5	.	...	Beauharnois	4461	5⅜	5½	5	5
80	50	4	8	Belding Cort.	....	50	..	..	..
89	85½	7	8.2	Do. pref.	....	85½	..	..	..
120½	80	6	5.3	Bell Telephone	268	113	114	112	113
9	3½	.	...	Biltmore Hats.	....	9	..	..	..
75	62	7	9.3	Do. pref.	....	75	..	..	..
4	2½	.	...	Bissell, T. E.	....	4	..	..	..
†97	88	.	...	Do. pref.	....	..	..	..	..
6	1	.	...	Blue Ribbon	15	2¾	3	3	3
22	10	2	9.7	Do. pref.	....	20½	..	..	..
22	18½	2	9.1	Brant. Cd. pf.	....	22	..	..	..
19	7	.	...	Brazilian Tr.	13532	14⅜	15⅛	14	14⅜
3.85	.55	.	...	Brew. & Distil.	6050	2.70	2.85	2.50	2.70
12	½	.	...	Brewing Corp.	2075	6½	6½	5¾	6½
19	¾	.	...	Do. pref.	758	14½	14½	13¾	14
12	10	.	...	Bright, T. G., c	200	12	[illegible]	[illegible]	[illegible]
16	7½	80c	5.3	Brit. Amer. Oil	4647	[illegible]	[illegible]	[illegible]	[illegible]

x Quotations for 1932. No sales recorded in 1933 to date.
† Quotations for 1931.
‡ Quotations for 1930.
b New York Quotations.
▲ Stock dividend.
• Plus final dividend of 17½c. paid Mar. 31.
■ Covers payment due Jan. 3 last and deferred; paid Mar. 15.
* See "Unlisted Stocks" also.
§ On arrears.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
September 5, 1933

	Bid September 5	Asked September 5	Bid Aug. 29
Industrial Bonds:			
Abitibi P. & P. 5% 1953	25.25	26.50	25.25
Acadia Sugar 6% 1946	90.50	93.00	90.50
Alberta Bay 6½% 1942	48.00	....	....
Alta. Pac. Grain 6% 1946	73.00	76.00	73.50
American Sales Book 6% 1939	97.00	....	99.00
B. A. Oil 5% 1945	99.00	100.00	99.00
Can. Biscuit 6½% 1946	24.00	26.50	24.00
Can. Bread 6% 1941	97.25	....	97.25
Can. Cement 5¼% 1947	77.25	78.50	77.25
Can. Steamship 6% 1941	21.50	22.50	21.50
Can Canners 6% 1950	97.50	99.00	97.25
Can Copper Refin. 6% 1945	106.00	....	106.00
Can. Cottons 5% 1940	90.50	....	90.50
Can. Vickers 6% 1947	55.00	57.50	55.50
Cons. Invest. 4½% 1959	56.00	....	56.00
Cosmos Imp. Mills 6½% 1944	85.50	....	86.00
Davies, Wm. 6% 1942	98.50	100.00	98.00
Debenture & Sec. 4% 1936	62.00	....	62.50
Dom. Tar & Chemical 6% 1949	72.00	74.00	72.00
Dom. Telegraph 5½% 1978 "A"	94.50	....	94.50
Dom. Textile 6% 1949	104.25	....	104.25
Dom. Woollens 6% 1948	30.50	....	30.00
Donnacona Paper 5½% 1948	34.00	....	33.25
Eaton Realty 5% 1949	90.50	....	90.25
Famous Players 6% 1948	75.00	78.00	74.00
Federal Grain 6% 1949	72.00	....	69.50
Firestone Tire 7% 1937	105.00	108.00	105.00
Fraser Co. 6% 1932	30.25	33.00	32.25
Fraser Co. 6% 1950	30.00	....	30.50
Galt Brass 7½% 1941	15.25	20.50	15.25
General Steel Wares 6% 1952	61.50	62.50	61.00
Goodyear Cotton 6% 1949	102.75	104.50	102.50
Great Lakes Paper 6% 1950	27.50	28.50	29.00
Gypsum, Lime & Alab. 5½% 1948	43.50	46.50	44.00
Harris Abattoir 6% 1947	101.50	103.00	101.50
Howard Smith 5½% 1953	73.00	74.50	73.00
Loew's Toronto 6% Serial	32.00	....	....
Lake St. John 6½% 1947	98.00	....	98.00
Maple Leaf Milling 5½% 1949	53.50	55.50	54.00
Massey-Harris 5% 1947	67.00	68.50	67.50
McColl-Frontenac 6% 1949	96.25	97.50	96.00
McKinnon Industries 6½% 1945	95.00	....	95.00
Mercury Mills 5½% 1953	53.50	....	53.50
Metropolitan Bldg. 7% 1944	81.00	....	81.00
Northern Ontario Bldg. 6½% 1939	66.00	71.00	66.00
Price Bros. 6% 1943	55.00	58.50	55.00
Richmond-Bay 6½% 1947	61.00	....	61.00
Simpsons Ltd. 5½% 1949	74.50	77.50	74.50
Simpsons Ltd. 6% 1949	77.25	79.00	77.25
Steel of Canada 6% 1940	103.00	....	103.00
Stop & Shop 6% 1947	65.50	....	64.25
Toronto Carpet 6% 1944	81.00	....	81.00
United Gas & Fuel 5½% 1948	74.00	78.00	74.00
United Grain Growers 5% 1948	76.50	80.00	76.50
United Grain Growers 5½% 1949	78.50	82.00	78.50
Wabasso Cotton 7% 1942	71.00	....	70.00
Western Grain 6% 1949	67.75	71.00	67.75
Public Utility Bonds:			
Bell Telephone 5% 1955	106.75	107.50	106.75
Bell Telephone 5% 1957	106.50	107.50	106.50
B. C. Power 5½% 1960	90.00	91.50	90.00
B. C. Telephone 5% 1960	96.00	97.50	96.00
Calgary Power 5% 1960	84.00	....	83.50
Can. Northern Pwr. 5% 1953	79.00	81.00	79.00
Duke-Price Pwr. 6% 1966	80.00	82.00	80.50
French Nat'l Mail S.S. 6% 1952	125.00	135.00	124.00
Gatineau Pwr. 6% 1941 A	71.00	72.00	71.00
Gatineau Pwr. 5% 1956	80.50	81.50	80.50
Maclaren Quebec 5½% 1961	83.00	84.00	82.00
Manitoba Power 5½% 1951	40.00	45.00	38.00
Montreal Isl. Pwr. 5½% 1957	96.50	99.00	96.00
Montreal LH&P 5% 1951	107.00	108.00	106.00
Montreal LH&P 5% 1970	105.00	107.00	105.00
Montreal Tram 5% 1941 July	96.00	97.00	96.00
Montreal Tram 5% 1955	77.50	79.50	78.00
Northwest. Utilities 7% 1938	96.50	98.50	96.00
Ottawa Valley Pwr. 5½% 1970	99.00	101.00	99.00
Quebec Power 5% 1968	96.00	98.00	97.00
Rio Tramways 5% 1935	100.00	102.00	100.00
Shawinigan W & P 4½% 1970	75.00	....	76.50
Shawinigan W & P 5% 1970	85.50	....	85.75
Shawinigan W & P 6% 1937	95.50	96.50	95.50
Southern Can. Pwr. 5% 1955	99.00	100.50	99.00
West Kootenay Pwr. 5% 1956	97.00	98.50	98.00
Government, Provincial & Railways:			
C. N. R. 4¼% 1951 Dom. Gtd.	102.00	102.50	102.25
C. N. R 4½% 1957 Dom. Gtd.	102.00	103.00	102.00
C. N. R. 5% 1969 Dom. Gtd.	107.50	108.00	107.50
C. P. R. 4½% 1944	82.50	83.50	82.50
C. P. R. 6% 1942	113.25	....	113.50
Dom. of Can. 5% 1936	103.00	103.75	103.00
Dom of Can. 5% 1941	105.25	106.50	105.75
G. T. P. 3% 1962 Dom. Gtd.	81.25	82.50	81.25
G. T. P. 4% 1962 Dom. Gtd.	95.00	96.00	95.00
Ont. Hydro 3½% 1952 Ont. Gtd.	93.00	94.00	93.00
Ont. Hydro 4¾% 1970 Ont. Gtd	101.00	102.00	101.00
Ont. Hydro 4% 1957 Ont. Gtd.	93.50	94.25	93.50
Prov. of N B. 5% 1957	99.00	102.00	99.00
Prov. of Ont. 5½% 1947	107.00	108.50	107.00
Prov. of Ont. 5% 1948	104.50	105.25	104.50
Prov. of Ont 5½% 1946	107.50	108.50	107.50

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
September 5, 1933

Industrial Stocks	Bid	Asked
Acadia Sugar c	.75	1.10
Acadia Sugar 6% pfd.	3.60	....
Acme Farmers Dairy 7% pfd.	35.00	....
Agnew Surpass 7% pfd.	66.00	71.00
Allens London 7% pfd. bonus c.	33.50	....
Allens St. Cath. 7% pfd. bonus c.	33.50	....
Allens Toronto 7% 7% pfd. bonus c.	20.50	....
Andian National U. S. Funds	26.00	28.00
Atlantic Sugar "A" pfd.	80.00	86.00
B.C. Pulp & Paper pfd.	6.00	9.25
Burns pfd. bonus com.	5.00	9.50
Canada & Dom. Sugar	31.25	33.0
Canada Mach. c.	3.25	6.00
Canada Mach. pfd.	20.50	....
Canada Packers c.	31.00	33.00
Canada Pack. pfd.	101.50	103.50
Canada Starch 7% pfd.	64.25	....
Canada Tea 7% pfd.	45.50	57.00
Canada Wire & Cable 6½% pfd. W.W.	63.50	69.00
Can. Industries com. "A"	104.00	....
Can. Industries com. "B"	101.00	103.00
Can. Industries 7% pfd.	120.00	123.00
Can. Westing.	45.50	49.00
Chase, A. W. pfd. bonus com.	10.50	14.00
Claude Neon Gen. Adv. Units	5.00	6.25
Dodge Mfg. "A" pfd.	....	7.00
Dom. Foundries & Steel 8% pfd.	46.50	53.00
Dom. Foundries & Steel com.	5.75	7.00
Dom. Manufacturers 7% pfd.	....	62.00
Dunlop Tire 7% pfd.	53.50	60.00
Eastern Dairies Ltd. 7% pfd.	21.00	....
Edmonton Stockyards Units	....	51.00
Federal Grain c.	1.50	3.25
Federal Grain 6½% pfd.	29.00	33.00
A. J. Freiman pf	48.00	52.00
General Steel Wares pfd.	13.75	15.00
Goderich Elevator & Transit	4.25	5.25
Greening Wire 7% pfd.	47.00	53.00
Guelph Carpet 6½% pfd. bonus	62.50	66.00
Guelph Carpet c.	7.25	....
Inter City Baking c.	17.50	....
Inter. Proprietaries "A"	32.00	[illegible]
Loew's Lond. c.	.30	.75
Loew's London 7% pfd.	3.50	4.50
Lowe's Toronto 7% pfd.	58.00	....
Massey Harwris 5% pfd.	17.00	19.50
Medical Arts pfd. bonus com.	95.00	....
Mount Royal Hotel com.	.35	.70
Mount Royal Hotel 6% pfd.	3.00	....
Nat. Grocers c.	....	2.15
Paramount Kitchener pfd.	30.50	....
Paramount Oshawa com.	3.00	....
Paramount Oshawa pfd.	32.00	....
Provincial Paper 7% pfd.	62.00	66.00
Reliance Grain 6½% pfd.	50.00	60.00
Rolland Paper 6% pfd. WW	43.00	....
Serv. Stations "A" pfd.	35.00	42.00
Standard Clay Products com.	....	14.00
Standard Fuel 6½% pfd. bonus	68.50	71.00
Supersilk pfd. bonus	31.50	....
Supertest Petroleum "B"	20.00	22.00
Toronto Elevators 7% pfd.	93.50	95.00
Untd. Corp. Ltd. A	5.00	....
Untd. Corp. Ltd. B	1.25	....

Ind. Stock cont'd.	Bid	Asked
United Grain Growers	12.50	14.00
Western Grain 6½% pfd. bonus	15.25	18.00
Western Grocers pfd.	83.50	....
Wood, Alex. & James pfd.	16.25	21.00
Insurance Stocks:		
Br. Amer. Assce.	20.00	....
Canada Life Ass.	406.00	....
Can. Fire Ins.	55.00	....
Confederation Life 20% pd.	121.00	....
Continental Life 20% pd.	38.50	43.00
Crown Life Ins.	90.00%	...
Dom. Fire Ins.	32.50	....
Dom. Life 50% pd.	145.50	....
Dom. of Can. Gen. Ins.	93.00	101.50
Empire Life 25% pd.	9.75	....
Excelsior Life 30% pd.	70.50	....
Federal Fire 25% pd.	37.00	....
Fidelity Ins. Co.	48.50	....
Great West Life Assce.	310.50	330.00
Guarantee Co. of N.A.	250.50	....
Imperial Life	270.50	....
Mfrs. Life Ins.	255.00	270.00
Monarch Life 10% pd.	16.75	....
National Life 25% pd.	52.50	60.00
Saskatchewan Life 10% pd.	7.25	11.00
Sovereign Life 25% pd.	20.00	....
Sun Life Assur.	495.00	525.00
West. Assur. c.	14.25	17.50
Western Life 20% pd.	9.25	11.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	140.00	150.00
Can. Gen. Investments Ltd.	4.90	5.20
Can. Investors Corp.	5.25	6.25
Chartered Trust.	53.50	....
Debture & Sec. c.	4.25	....
Debenture & Sec. 5% pfd.	17.25	....
Dom. & Anglo Invest. Units	185.50	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	136.00	145.00
Guelph & Ont. Inv. par $50	46.00	51.00
Investment Foundation Units	30.00	35.00
Lambton Loan & Savings	51.00	57.00
London & West. Trust	....	50.50
Premier Trust	....	81.00
Provincial Bank	85.00	89.00
Security Loan & Savings	95.00	....
Sherbrooke Trust	100.00	110.00
Sterling Trust	....	43.50
Traders Finance "A" com.	.50	....
Traders Finance 7% "A" pfd.	28.50	....
Trusts & Guar.	30.00	....
Victoria Trust & Savings	131.00	139.00
Waterloo Trust & Savings	91.00	100.00
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	99.00	102.00
Calgary Power 6% pfd.	79.50	83.00
Can. Light & Power com.	19.00	23.00
Can. West. Nat. Gas L. H. & P. pfd.	78.00	82.00
Maritime Tel. & Tel. com.	9.00	10.00
Maritime Tel. & Tel. 7% pfd.	10.75	12.00
N.B. Telephone c.	9.00	10.25
N.S. L&P com.	25.00	....
N.S. L&P 6% pf.	70.00	75.00

Recent London Quotations:

Brewers & Distillers	10s. 9d.
Can. & For. Secs.	4s. 6d.
Can. West. Lumber	1s. 4½d
Hudson's Bay	27s.
Do., 5% pref.	88s. 9d.
Internat. Holdings	$2½
Nfld. Pr. & Pap. deb. stock B	92
Trust & Loan of Can.	3s. 1½d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Breweries, pref.	7%	1¾%	Oct. 1	Sept. 15
B. C. Power "A"	$2	50c	Oct. 16	Sept. 30
Brazilian Traction pfd.	6%	1½%	Oct. 2	Sept. 15
Bank of Nova Scotia	12%	3%	Oct. 2	Sept. 15
Belding Corticelli pfd.	7%	1¾%	Sept. 15	Aug. 31
Bell Telephone Co.	6%	1½%	Oct. 16	Sept. 23
Brit. Amer. Oil (14)	80c	20c	Oct. 2	Sept. 16
Canada Nor. Power	80c	20c	Oct. 25	Sept. 30
Do., pref	7%	1¾%	Oct. 16	Sept. 30
Canada Perm. Mortgage	10%	2½%	Oct. 2	Sept. 15
Canadian Celanese pref.	$7	$1.75	Sept. 30	Sept. 18
Canadian Cottons pfd.	6%	1½%	Oct. 4	Sept. 16
Canadian General Elec.	$3	75c	Oct. 1	Sept. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Canada Malting	$1.50	37½c	Sept. 15	Aug. 31
Central Canada Loan	8%	2%	Oct. 2	Sept. 15
Dominion Bank	10%	2½%	Oct. 2	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dominion Stores	$1.20	30c	Oct. 2	Sept. 15
Dominion Textiles c.	$4	$1	Oct. 2	Sept. 15
Do., pfd.	7%	1¾%	Oct. 16	Sept. 30
Goodyear Tire	$2.40	60c	Oct. 2	Sept. 15
Do., pref.	$7	$1.75	Oct. 2	Sept. 15
Hollinger Cons. Gold M.	65c+10c	5c+5c	Sept. 9	Aug. 25
Hamilton United Theatres	7%	1¾%	Sept. 30	Aug. 31
Imperial Tobacco	35c	8¾c	Sept. 30	Aug. 31
Do., pfd.	6%	3%	Sept. 30	Aug. 30
Inter. Petroleum	$1.12	28c	Sept. 15	Aug. 31
Inter. Proprietaries "A"	$2.60	65c	Sept. 15	Aug. 25
Jamaica Pub. Serv.	$1	25c	Oct. 2	Sept. 15
Do., pref	$7	$1.75	Oct. 2	Sept. 15
Landed Bkg. & Loan	6%	1½%	Oct. 2	Sept. 15
Lake Shore Mines	$2+$1	50c	Sept. 15	Sept. 1
Merland Oil (interim)	.	5c	Sept. 15	Aug. 15
McColl-Fron., c	60c	15c	Sept. 15	Aug. 15
Montreal Loan	12%	3%	Sept. 15	Aug. 31
Montreal Cottons pfd.	7%	1¾%	Sept. 15	Aug. 31
National Breweries	$1.60	40c	Oct. 2	Sept. 15
Do., pref.	$1.75	44c	Oct. 2	Sept. 15
N. Sewer Pipe A	$2.40	60c	Sept. 15	Aug. 31
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
North Amer. Elevators, pfd.	$7	$1.75	Sept. 1	Aug. 15
Ontario Loan & Deb.	12%	3%	Oct. 2	Sept. 15
Pioneer Gold Mines of B.C.	60c	15c	Oct. 2	Sept. 8
Reliance Grain, pref.	6½%	1⅝%	Sept. 15	Aug. 31
Royalite Oil	...	50c	Sept. 15	Aug. 31
Siscoe Gold Mines	12c	3c	Sept. 30	Sept. 15
Southern Can. Power pfd.	6%	1½%	Oct. 16	Sept. 20
Sylvanite Gold Mines (interim)	..	2½c	Sept. 30	Aug. 31
Standard Steel, A pfd.	$3	75c	Oct. 1	Sept. 15
Western Can. Flour pfd.	$3	75c	Sept. 15	Aug. 31
Walker-Good. & Worts pfd.	$1	25c	Sept. 15	Aug. 25
Wright-Hargreaves	20c	5c	Oct. 2	Sept. 9
Do., extra	...	5c	Oct. 2	Sept. 9

Dividends Passed or Deferred:

Crescent Creamery, 7% pref. July 15, passed. Last paid 1¾% April 15, 1933.

Acme Farmers Dairy, 7% pfd. Aug. 10, deferred. Last paid $3.50 Feb. 10, 1933.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont
September 5, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	90.00	5.22
Alberta	5	1 July, 1943	1 Jan.	97.00	5.40
Alberta	6	1 Mar., 1947	1 Mar.	103.50	5.63
*British Columbia	4½	1 Oct., 1953	1 Oct.	90.50	5.26
*British Columbia	5	15 Jan., 1948	15 Jan.	96.00	5.39
British Columbia	6	15 Feb., 1947	15 Feb.	103.50	5.63
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	94.00	5.43
Manitoba	6	1 Apr., 1947	1 Oct.	100.50	5.95
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	101.00	4.37
New Brunswick	5½	15 May, 1950	15 Nov.	106.00	4.97
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	100.50	4.45
Nova Scotia	5	1 May, 1943	1 Nov.	102.00	4.75
*Ontario	4½	1 Sept., 1944	1 Mar.	103.50	4.10
Ontario	5	15 Oct., 1948	15 Oct.	105.75	4.48
Ontario	5½	1 Feb., 1947	1 Feb.	108.50	4.65
P. E. I.	4	1 Apr., 1939	1 Oct.	96.90	4.60
P. E. I.	6	1 May, 1947	1 Nov.	112.15	4.80
*Quebec	4½	1 May, 1961	1 Nov.	102.00	4.13
*Saskatchewan	4½	1 Sept., 1955	1 Mar.	86.50	5.57
*Saskatchewan	5	1 Nov., 1959	1 Nov.	92.50	5.55
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.75	6.02
*Newfoundland	5	31 Dec., 1952	31 Dec	82.00	6.36
*Newfoundland	5½	1 July, 1939	1 Jan.	85.00	8.75
*Newfoundland	6½	30 June, 1936	31 Dec.	93.00	9.21
Cities					
*Montreal	5	1 Sept., 1963	1 Mar.	104.80	4.70
*Toronto	4½	1 Jan., 1955	1 Jan.	100.00	4.50
*Vancouver	5	15 Jan., 1970	15 Jan.	91.00	5.58
Winnipeg	5	1 Mar., 1944	1 Mar.	93.50	5.78
*Edmonton	5½	1 Apr., 1947	1 Oct.	92.50	6.32
Calgary	5	1 Jan., 1943	1 Jan.	90.00	6.42
Halifax	6	1 July, 1951	1 Jan.	115.01	4.75
Saint John	5	15 Dec., 1950	15 Dec.	102.95	4.75
Regina	4½	1 July, 1950	1 Jan.	79.60	6.50
Victoria	5	21 July, 1945	21 Jan.	92.34	5.90
Quebec	5	1 June, 1948	1 Dec.	101.00	4.90

*Payable in New York.

Listed Bond Quotations

Week Ending September 4, 1933

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Montreal								
Abitibi, 1st mtge.§	5	1953	...	...	...	...	18	13
Asbestos	5	1942	...	21½	...	...	*65½	49
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84⅞	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Pr (Laur.)	5½	1958	...	5	...	...	3	3
Do., (Way. Ser.)	5½	1958	...	5	...	...	*28½	5½
Can S.S. Debs.	5	1943	...	68	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.50	...	...	3.00	1.00
Mex. L. & Pr.	5	1940	...	50	...	...	*73½	70½
Mtl L.H.&Pr debs.	3	1939	...	45⅞	46	45⅞	47½	39½
Mont. Tr. 1st mtg.§	5	1941	5.78	95½	...	...	98½	95½
Mont. Trams. A§	5	1955	7.01	†80	77⅞	...	81½	58
Do., G & Ref. B	5	1955	7.47	...	...	...	73½	...
Do., C	4½	1955	9.03	...	...	...	57	57
Do., D	5	1955	6.86	...	...	...	77½	76½
N. S. Steel	5	1959	...	87½	...	...	*62⅞	58
Ontario Steel	6	1943	...	...	...	...	80	...
Porto R Pr.	5	1936	...	104	...	...	*93	88
Steel of Canada§	6	1940	...	...	...	...	*102½	100
Wayagamack	6	1951	...	74	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	108.50	100.25	....	116.25	114.25
Victory Loan	5½	1933	3.62	100.20	....	....	100.75	100.00
Do	5½	1934	3.63	101.50	....	....	102.60	101.15
Do	5½	1937	3.01	109.50	....	....	110.25	109.25
Do., refund	4½	1940	4.00	102.25	....	....	101.25	99.70
Do., refund	5	1943	4.31	105.25	....	....	103.37	101.85
Do., refund	4½	1944	4.25	101.75	....	....	100.50	98.75
Do., refund	4½	1946	4.27	101.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.29	95.75	....	....	95.25	91.63
Conversion Loan	4½	1956	4.45	100.00	100.50	....	100.50	97.00
Do	4½	1957	4.56	100.00	....	....	99.00	96.00
Do.	4½	1958	4.46	100.25	....	....	100.50	97.75
Do.	4½	1959	4.46	101.25	....	....	100.87	97.50
Nat. Service Loan	5	1936	3.81	103.00	....	....	103.25	101.50
Do.	5	1941	4.19	105.25	....	....	103.75	100.75
Dom. Loan	4	1935	3.70	100.25	....	....	99.75	99.75
Unlisted:								
Cons. Paper	5½	1961	...	....	16½	....	....	....

†Latest ask. ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York.

Winnipeg Stock Exchange

(Transactions for week to August 31).

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Aug. 31
80c	5.5	B. A. Oil	40	14½	14½	14½
..	..	Central Manitoba	1300	.09½	.09½	.09½
2	6.3	Dominion Bridge	5	31½	31½	31½
..	..	God's Lake	150	.58½	.57	.58½
50c	3.4	Imperial Oil	35	14½	14½	14½
..	..	Intern. Nickel	20	22.00	22.00	22.00
..	..	Island Lake	13000	.25	.22½	.23
..	..	Eldorado	50	4.15	4.15	4.15
..	..	Noble Five	100	1.09	1.09	1.09
..	..	San Antonio	1927	1.12	1.10	1.12
..	..	Siscoe	100	1.44	1.44	1.44
..	..	Trader's Building	13	65	65	65
..	..	Ventures	100	1.09	1.09	1.09
1.25	10	United Grain Growers	4	12½	12½	12½
..	..	Western Grocers, c.	10	20	20	20
7	8.2	Do., pref.	25	85	85	85

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumb. pref.	64	..	Sovereign Life	17	..
Beaver Fire	..	100	Traders Bldg.	60	70
City Dairy 8% pf.	..	40	Can. Amer. Tr. shs.	..	3¾
Cres. Creamery, pf.	..	35	Fundamental Ser. A	..	5
Northern Trust	15	..	Fundamental Ser. B	..	4½
Pelissiers, pref.	15	..	Group. Income Shs.	..	4.95
Reliance Grain pfd.	..	55			

*Stocks more active on other exchanges not included.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Cameras

CAMERA, VOIGTLANDER AVUS, 3¼ x 4¼, F/4.5 Skopar lens, $45, regular $60. Ica reflex 3¼ x 4¼, F 4.5 Zeiss tessar, $50. Lockhart's Camera Exchange, 384 Bay St., Toronto.

Factory For Sale

FOR SALE OR RENT — DAYLIGHT Factory, 29' x 60', Solid Brick, Concrete Floor, One Story, part basement, central location, Peterboro, Ont. Apply to T. C. Ephgrave, Peterboro, Ont.

Handwriting Analysis

DO YOU WANT A COMPLETE knowledge of yourself and powers? Send specimen of handwriting for a thumb-nail analysis — which gives your right job, what you look like, personality, marriage affinity, faults to remedy. Fee $1. State present work. Address F. D. Jacob, P. O. Box 701, Ottawa, Ont. Well-known graphologist, heard over Radio this summer.

Office Furniture

BOARD ROOM TABLE — MAHOGANY, 4 ft. by 10 ft., $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

Verbatim Reports

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO and ONE-HALF PER CENT for the current quarter, being at the rate of

TEN PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE SECOND DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1933.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 23rd, 1933.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Preferred Dividend No. 55

A DIVIDEND of one and one-half per cent (1½%) on the PREFERRED STOCK of SOUTHERN CANADA POWER COMPANY LIMITED has been declared for the quarter ending September 30th, 1933, payable October 16th, 1933, to shareholders of record at the close of business on September 20th, 1933.

By order of the Board.

L. C. HASKELL,
Secretary.

Montreal, August 25th, 1933.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 35

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending September 30th, 1933, payable October 16th, 1933, to shareholders of record at the close of business on September 30th, 1933.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, August 22nd, 1933.

Siscoe Gold Mines Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Dividend of Three (3c) Cents per share on the issued Capital Stock of the Company has been declared, payable September 30, 1933, to Shareholders of record at the close of business September 15, 1933. Stock Transfer Books of the Company will be closed from September 16 to September 30 inclusive.

By Order of the Board.

H. E. GREEN,
Secretary-Treasurer.

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar ($1.00) per share, has been declared on the Common Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending September 30th, 1933, payable October 2nd, 1933, to shareholders of record September 15th, 1933.

By order of the Board,

L. P. WEBSTER,
Secretary.

Montreal, August 23rd, 1933.

DIVIDEND No. 24

HIRAM WALKER-GOODERHAM & WORTS LIMITED

Controlling and Operating
Hiram Walker & Sons, Limited
Gooderham & Worts, Limited
Distillers & Bottlers in Bond

NOTICE is hereby given that quarterly dividend (No. 24) of twenty-five (25c) cents a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Capital Stock of this Company.

This dividend is payable September 15, 1933, to shareholders of record at close of business August 25th.

By order of the Board,

FLETCHER RUARK,
Secretary and Treasurer.

Walkerville, Can., August 19, 1933.

FRANC TO DROP IF FRANCE SOON GOES OFF GOLD

(Continued from page 9)

grains or some such figure, Canada in self-protection will have to do the same thing. Otherwise the Canadian dollar would be at too great a premium with reference to the United States dollar and it would hurt Canadian exports to the United States and other countries.

Some Large Event Hatching

Apparently some large event in the currency world is being hatched. The British have relaxed the rigor of their control of sterling which is acting like a free currency again. England went off gold suddenly; France would probably do the same. France was caught napping before; England is evidently awake to possibilities of France going off. French and English have been selling the American dollar for fear of inflation. French have also been selling sterling for fear of a move by British sterling in sympathy with United States dollar. Any fall in the pound sterling would now exert more pressure on gold bloc countries than United States policies which are discounted.

Governments of most countries do not like inflation talk just now as they have important refunding operations this fall and belief in general world-wide inflation might make success difficult.

Obituary

Alfred G. Burrows, M.A., B.Sc., LL.D., Provincial Geologist of Ontario, died at the Private Patients Pavillion, Toronto General Hospital, on Sept. 2, 1933, in his 56th year following a brief illness and an operation.

Dr. Burrows graduated from Queens University with a M.A. degree in 1900, followed by a B.Sc. degree in 1902 and LL.D. in 1931. A prominent figure in mining circles for over 30 years he was held in the highest respect for sterling character and outstanding scientific contributions to Ontario's mining industry.

Joining the Geological Survey in 1900, he rose to the highest position within the gift of the province in mining. In 1902 he was appointed Provincial Assayer when the assay office was in Belleville, as then Ontario's limited mining activities centred in Hastings county. Upon the death of Prof. W. G. Miller in 1925, Dr. Burrows, who had collaborated with and shared Prof. Miller's successes as his chief assistant, was appointed to succeed him.

Canadian Paperboard Plan is Being Worked Out

From Our Own Correspondent

MONTREAL.—No change has taken place in the position of Canadian Paperboard Co. since the adoption of the reorganization plan by the bondholders, stock holders and creditors. The lawyers are still working on details of the scheme and it is expected that some time will elapse before all legal matters have been cleared away and the plan put into operation.

The adopted plan calls for the setting up of four operating companies to take over the mills at Toronto, Campbellford, Montreal and Frankford. Stock of these companies is to be placed in the hands of a controlling company which, in turn, will issue its stock to the bondholders, preferred and common stockholders and creditors in various ratios.

Except for a small amount of 10-year notes payable to the Quinte and Trent Valley Power Co., the new company will have issued only preferred and common shares.

DIVIDEND NOTICES

RELIANCE GRAIN COMPANY LIMITED

PREFERENCE DIVIDEND No. 23.

NOTICE is hereby given that a dividend for the quarter ending August 31st, 1933, at the rate of 6½% per annum, will be paid on September 15th, 1933, to preference shareholders of record at the close of business on August 31st, 1933.

By order of the Board.

A. W. GIBB,
Secretary.

Winnipeg, August 30th, 1933.

NOTICE

MUNICIPAL DISTRICT OF NORTH VANCOUVER

Bondholders of the Municipal District of North Vancouver are requested to get in touch with the undersigned as soon as possible, furnishing him with the face value and nature of the bonds they hold.

CHARLES E. TISDALL,
Commissioner,
North Vancouver, B.C.

GOVERNOR COOPER HUDSON'S BAY CO. MAKES THIRD VISIT

Great Progress in Reorganization Plans During Depression Years

P. Ashley Cooper, the Governor of the Hudson's Bay Co., is this month making his third annual trip to Canada to visit and inspect activities at the principal stores and outposts of this far-flung company. His first official tour was in the autumn of 1931 when he inspected the offices in Eastern Canada and the larger stores throughout the West. In the late summer months of 1932 the Governor extended his tour as far North as Fort Smith on the Slave River and visited all the stores except those at Nelson and Kamloops.

These last four years have been almost as strenuous years as any period in the 263 years of the company's long history but they are also noteworthy because of the important departures from the methods and policies of the past. More emphasis has been placed since the present Governor took office on having decentralization of authority with more responsibility on those in charge at each place of operation; there has been a regrouping of trading posts, elimination of unnecessary offices and reorganization generally of the various departments.

Much Progress Made

The aeroplane has profoundly modified the isolation of wilderness outposts; the mining prospector invades all the regions formerly sacred to the Hudson's Bay Co., the Indians and other trappers; and the company must now take into consideration in a big way the merchandise demands of modern cities as well as the simple requirements of Indians and trappers.

Losses Diminishing

Much progress has been made. The trading losses of the last three years have been diminishing ones. The possibility of profit encourages all employees. The economies made and the policies adopted also place the company in an excellent position to advance more rapidly when Western recovery is well on its way. Land sales naturally await a return of prosperity to the Western farmer; nobody wants to buy farm lands until he can make a profit out of their use or sale.

The fur business also will probably look up as general business does and there is more money in the world to spend for furs.

The Western stores will eventually become more and more important in the affairs of the company. The financial changes from year to year of the company were never so interesting to Canadians as now. Investors in Canada may expect that sooner or later there will be an opportunity for Canadians to acquire stock in connection either with its expansion operations or some plan to segregate stores operations under a subsidiary Canadian company.

FLOUR MILLING MOVES AHEAD CURRENT YEAR

Production Reflects Gain in Export Demand for Flour

From Our Own Correspondent

MONTREAL.—Flour milling operations in Canada during June last were on a better basis than for the same month a year ago.

The Bureau of Statistics reports that the flour mills operated at 43.6 per cent of capacity and turned out 1,186,006 bbls. of flour in June, 1933. This is the second largest month for the current year and compares with 1,151,286 bbls. in June, 1932, and with 1,121,115 bbls. in June, 1931.

For the first six months of 1933 the Canadian flour mills manufactured 6,242,386 bbls. of flour. This compares with 5,932,449 bbls. for the same period a year ago, an increase of 309,937 bbls.

Better Export Demand

Much of the betterment in production can be ascribed to a better export demand. Between January and June, 1933, the Canadian mills exported 2,564,662 bbls. of wheat flour, an increase of 272,446 bbls. over the 2,392,216 bbls. reported for the first half of 1932.

Other branches of the milling industry, such as oatmeal and rolled oats, have not been as active this year. The manufacture of corn meal and corn flour, however, has been better.

FARMERS' PHONE CHANGING CAPITAL

Bell Subsidiary Converting Preferred Stock Into Common Shares

From Our Own Correspondent

MONTREAL. — Steps have been taken by the Farmers Telephone Co., of Howick, P.Q., a subsidiary of the Bell Telephone Co. of Canada, to convert all of its outstanding preferred shares into common stock of a par value of $25, on the basis of four shares of common for each share of preferred stock.

At the end of last year Farmers Telephone had outstanding $99,400 of preferred upon which a dividend of 6 per cent was paid. This stock will be converted into 3,796 shares of common stock of the par value of $25 a share.

Create New Issue

An unusual feature of the capital set up of this company is that there is no outstanding common stock. The capital is exclusively preferred shares and as the company has no funded debt, the preferred ranks as the senior security.

Recent information on the company shows that it has installed 1,264 stations with seven exchanges in operation at Franklin, Hemmingford, Howick, Ormstown, St. Chrysostome, Ste. Martine and St. Remi, P.Q.

Income has shown little fluctuation in recent years, net earnings being sufficient to take care of preferred dividends and leave a small balance to carry forward into profit and loss account.

There is practically no public investment interest in the enterprise, the majority of the preferred being owned by the Bell Telephone Co. of Canada.

Mining Stock Quotations

Week Ending September 4.

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 28 (or last)	High for week	Low for week	Close Sept. 4
1	.02¼	.00½	Acenda	1,500	.01½	.02	.02	.02
No	.30	.03	Aldermac	25,235	.24	.24	.23	.23
1	.03½	.01	Alexandria	12,500	.02½	.02½	.02	.02
No	.06	.02	Algoma	117,100	.03½	.03½	.03	.03
1	.01½	.00½	Algonquin	7,500	.00½	.00½	.00½	.00½
1	.06	.00½	Amity C.	56,300	.05½	.05½	.05	.05
No	.74	.10	Amulet	36,178	.65½	.69½	.65	.65
1	.01	.00½	Apex	.....	.00½	.....	.....	.....
1	.07½	.02	Area	1,000	.05	.06	.05½	.06
No	.04½	.01½	Arno	860	.02½	.03	.02	.02
No	.11	.07½	Arpo (new)	12,900	.....	.11	.07½	.08
1	1.36	.74	Ashley	705	1.08	1.10	1.08	1.10
1	.14	.02½	Bagamac	12,000	.05½	.06	.05	.05½
1	.03	.00½	Baldwin	.....	.01	.....	.....	.....
1	.20	.08	Barry Hollinger	26,100	.10½	.10½	.08½	.09½
1	2.45	.75	Base Metals	3,910	2.05	2.05	2.00	2.00
No	1.00	.98	Beattie	.....	.98	.....	.....	.....
1	.40½	.08	Big Missouri	22,500	.20	.21	.19	.20½
1	.28½	.08½	Bobjo	87,360	.28	.28½	.25½	.27
No	10.50	2.28	Bralorne	3,610	10.50	10.50	10.00	10.00
1	.25	.15	Brett Trethewey	3,700	.23	.23	.22	.22
1	.07½	.01½	Brownlee	31,600	.04	.04½	.03½	.03½
1	.03	.00½	Buckingham	9,000	.01½	.01½	.01½	.01½
No	.09½	.01½	Buffalo Can.	110,000	.09	.09½	.07	.07½
5	19.50	15.60	Bulolo	.....	19.50	.....	.....	.....
No	.10	.01½	Bunker Hill	203,750	.09	.09	.06½	.07½
5s	1.25	.60	B'Wana McKubwa	10	.75	.75	.75	.75
No	.05	.02½	Canam Metals	.....	.05	.....	.....	.....
1	.12½	.03	Can. Kirkland	161,739	.08	.11½	.08½	.10½
No	.45	.32	Can. Malartic	13,250	.42	.45	.40	.42
1	.02	.00½	Capital Rouyn	90,600	.01½	.01½	.01	.01
1	.03½	.01	Cartier Malartic	.....	.01½	.....	.....	.....
1	.72	.15	Castle Trethewey	8,200	.52	.49	.45	.45
1	.18	.05	Cen. Manitoba	12,700	.10	.10	.09	.09
1	.47	.17	Cen. Patricia	38,850	.44	.45	.42	.44½
No	.20	.03	Chibougamau Pros.	37,600	.11	.11	.08	.10
No	.12	.03	Church. M. & Mill	24,500	.08½	.09½	.08	.09½
No	.04	.00½	Clericy	51,500	.03	.03	.02½	.02½
1	.03	.01	Clifton Cons.	13,000	.02	.02½	.02	.02½
5	9.00	1.65	Coast Copper	225	6.00	6.00	6.00	6.00
1	.15	.00½	Cobalt Contact	72,200	.06½	.06½	.06	.06½
1	.33	.05	Columario	28,000	.18	.18	.17	.17
5	1.90	.75	Coniagas	2,500	1.30	1.50	1.25	1.40
No	.65	.20	Coniaurum	2,079	.60	.65	.55	.65
25	142.00	54.00	Cons. Smelters	1,286	133.00	134.50	131.00	133.00
No	39.50	13.60	Dome Mines	15,205	35.00	37.00	33.25	34.00
No	.15½	.03½	Dom. Explorers	9,150	.08	.08	.07	.07½
1	.02½	.00½	Dominion Kirk.	21,500	.01½	.01½	.01½	.01½
1	.04	.01	Don Rouyn	2,050	.01½	.01½	.01½	.01½
1	.04½	.01½	Duparquet	3,000	.02	.02	.01½	.01½
1	8.10	1.16	Eldorado	44,465	4.35	4.40	4.00	4.25
No	4.55	1.80	Falconbridge	2,481	4.05	4.15	4.00	4.05
1	.06	.01	Federal	9,500	.02	.03	.02½	.03
No	.07	.01	Gilbec	15,500	.03½	.04	.03½	.03½
1	.17	.04	Goldale	15,900	.12	.13	.12	.12½
10	.29	.10	Goldfield	13,000	.23	.25	.21½	.22½
1	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.12	.02	Goodfish	27,000	.09½	.11	.09	.11
1	.04	.01	Graham	.....	.02½	.....	.....	.....
1	1.95	.75	Granada	9,100	.96	.99	.92	.93
1	.18	.06	Groselle	.....	.08	.....	.....	.....
1	.44	.24	Halcrow Swayze	4,700	.43½	.44	.43	.43½
1	.06	.02	Harker	12,000	.04	.04	.03½	.03½
1	.01½	.00½	Hilltop	20,000	.01	.01½	.01	.01½
5	10.90	6.00	Hollinger	16,150	10.35	10.50	10.10	10.40
1	1.00	.61	Howey Gold	31,870	.94	.96	.93	.94½
No	12.25	3.10	Hudson Bay	1,681	10.75	11.00	10.50	10.70
No	.55	.25	Huronian	460	.50	.50	.40	.40
1	12.00	9.00	Inter. Mining	.....	9.00	.....	.....	.....
	4.00	3.00	Do., Pur. Warr.	.....	3.00	.....	.....	.....
No	23.25	8.00	Int. Nickel	33,838	22.00	22.05	21.00	21.90
1	.04	.00½	Jackson Manion	115,600	.03½	.03½	.03	.03
1	.70	.20	Keeley	1,500	.55	.55	.55	.55
1	.02	.00½	Keora Mines	3,000	.01	.01	.01	.01
1	.76	.48	Kirk. Hud. Bay	3,800	.55	.60	.57	.59
1	.02½	.00½	Kirk. Hunton	2,000	.00½	.00½	.00½	.00½
1	.52	.30	Kirkland Lake	16,050	.40	.40	.35	.36
1	.04	.01½	Kirkland Premier	5,500	.02½	.02½	.02½	.02½
1	.50	.12	Kirk. Townsite	27,600	.36	.39½	.36	.37
20c	.02½	.00½	Kcot. Florence	3,500	.01½	.01½	.01½	.01½
1	.35	.15	Lakeland	5,300	.29	.28	.26	.28
No	.32	.07	Lake Maron	13,061	.17	.16½	.14	.14½
1	47.75	30.75	Lake Shore	5,775	46.50	47.75	46.00	46.50
1	.21	.02½	Lebel Oro	76,800	.20	.21	.19	.21
No	.29	.11	Lee Gold	120,700	.17½	.19	.17	.18½
1	.93	.20	Macassa	181,735	.88½	.93	.87	.90
1	.07½	.01	Malrobic	56,200	.06	.06½	.06	.06
No	.17	.02	Mandy	1,500	.09	.09	.08	.09
1	.07	.01	Manitoba Basin	5,250	.03	.03	.02½	.02½
5	38.75	21.20	McIntyre	5,810	37.50	38.25	35.00	36.50
1	.51	.30	McKinley	.....	.51	.....	.....	.....
No	.08	.02½	McLeod River	32,506	.03	.03½	.03	.03
1	.35	.08	McMillan	5,750	.30½	.30½	.30	.30
No	1.15	.46	McWatters	22,200	.90	.88	.80	.83½
1	.95	.15	McVittie	70,010	.89	.95	.89	.95
5	1.25	.06	Mentor Exp. & Dev.	.....	1.05	.....	.....	.....
1	.37	.30	Metropolitan Gold	11,250	.36	.37	.36	.37
No	2.85	1.20	Mining Corp.	3,895	2.10	2.10	1.99	2.02
1	.05	.01½	Moffatt Hall	21,000	.03	.03½	.02½	.02½
1	.01	.00½	Moneta	.....	.00½	.....	.....	.....
1	.00½	.00½	Montreal Rouyn	.....	.00½	.....	.....	.....
1	.40	.04½	Moss	113,100	.06	.06	.04½	.05
1	.03½	.00½	Murphy	2,000	.01½	.02	.02	.02
No	.06½	.02	Newbec	7,000	.04	.04	.03½	.03½
1	.06½	.01	Night-Hawk Penn.	2,000	.04½	.04½	.04	.04
5	3.50	1.15	Nipissing	5,853	2.40	2.40	2.20	2.35
No	38.25	19.75	Noranda	17,300	35.50	36.50	34.50	35.50
1	.55	.32½	Nor. Canada	6,900	.39	.43	.36	.42
No	.42	.19½	Normont-Gold	53,500	.41	.42	.40	.42
1	.20	.05	Osisko	2,500	.15	.18	.15	.15
1	.28½	.11	Parkhill	29,000	.24	.28	.24½	.27½
1	.08	.01	Pawnee Kirk.	2,000	.01½	.01½	.01½	.01½
1	.25	.21	Paymaster	20,300	.....	.25	.21	.25
1	1.80	.59	Pend Oreille	2,500	1.25	1.26	1.18	1.19
1	.02	.00½	Peterson Cobalt	.....	.01	.....	.....	.....
1	16.25	4.30	Pioneer Gold B. C.	3,225	13.00	14.60	12.25	12.25
1	.03	.00½	Porcupine Crown	.....	.02	.....	.....	.....
1	.03½	.00½	Potter Doal	1,850	.01	.01	.00½	.00½
1	1.60	.55	Premier Gold	8,070	1.22	1.30	1.22	1.30
1	.06	.01	Preston E. Dome	2,000	.02	.02	.01½	.02
No	1.75	.68	Prospectors Air's	1,350	1.00	1.00	.80	.90
1	.10	.06	Quemont	.....	.09½	.....	.....	.....
No	.51	.35	Read Authier	31,250	.50	.50	.45	.46
1	2.75	.60	Reno	28,570	1.45	1.55	1.40	1.42
1	.03½	.00½	Ribago	9,500	.01½	.01½	.01½	.01½
1	.04½	.01	Ritchie	3,000	.02½	.02½	.01½	.02
1	.04½	.01	Robb Montbray	2,250	.03½	.03½	.03	.03
1	1.25	.75	San Antonio	6,350	1.12	1.12	1.06	1.12
1	.07	.02	Seven Troughs	.....	.03	.....	.....	.....
1	1.90	.33	Sherritt Gordon	22,818	1.42	1.45	1.35	1.36
1	1.78	1.25	Siscoe	79,810	1.43	1.50	1.40	1.41
1	.10	.01½	South Keora	500	.05½	.05½	.05½	.05½
No	.07½	.02	Stadacona	99,000	.04½	.04	.04	.04
1	.62	.07	St. Anthony	30,900	.40	.43	.38	.43
No	2.21	.60	Sudbury Basin	5,295	1.62	1.70	1.62	1.66
1	.15	.02	Sudbury Contact	7,200	.09½	.10	.09	.10
1	.05	.01	Sudbury Mines	5,000	.01½	.01½	.01½	.01½
1	.30	.16½	Sudbury Nickel	.....	.25	.....	.....	.....
1	.38½	.18	Sullivan	110,200	.19	.20	.18	.18
1	1.44	.72	Sylvanite	36,000	1.29	1.30	1.20	1.22
1	.03	.01½	Tashota	.....	.01½	.....	.....	.....
1	7.25	3.70	Teck Hughes	27,240	6.60	6.95	6.40	6.55
1	.20	.08	Thom. Cadillac	22,600	.17½	.18	.17	.18
1	.60	.22	Towagmac	77,684	.47	.55	.47	.52
1	3.00	1.00	Treadwell	350	1.52	1.69	1.60	1.60
1	.17	.04	United Kirkland	23,700	.10½	.13	.11	.12
No	.06½	.01	Vacuum Gas	3,500	.02½	.02½	.02½	.02½
No	2.40	.80	Venezuela	.....	1.06	.....	.....	.....
No	1.50	.80	Ventures	22,890	1.05	1.14	1.05	1.14
1	.22	.02½	Vickers	8,600	.03½	.03½	.02½	.03
1	.75	.20	Vipond	7,275	.55½	.55	.53	.55
No	2.55	.35	Waite Ackerman	2,560	2.25	2.10	2.00	2.10
50c	.75	.33	Wayside	68,200	.60	.62	.56	.60
1	.08	.02½	White Lake	500	.05½	.04½	.04½	.04½
1	.28	.02	Wiltsey Coughlan	8,500	.17	.16	.15	.15½
1	.27	.07	Wood Kirkland	3,520	.19½	.16	.15	.15
No	7.95	3.73	Wright-Hargreaves	30,165	7.65	7.95	7.50	7.60

OIL STOCKS

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 28 (or last)	High for week	Low for week	Close Sept. 4
No	.32	.07½	Acme Gas & Oil	77,225	.24½	.25	.22	.25
1	.04½	.04½	Admiral	.....	.04½	.....	.....	.....
1	1.60	.55	Ajax	24,875	1.29	1.40	1.25	1.30
1	.68	.05	Alta. Pacific	3,100	.29	.30	.26½	.26½
1	.20	.05	Amalgamated	7,263	.18½	.18½	.15	.18
No	1.10	.04½	Associated	3,780	.37	.38	.35	.37
No	.26	.01	Baltac	4,000	.09	.11	.09	.11
No	2.50	.25	Calgary & Ed.	2,200	1.70	1.65	1.60	1.65
1	.45	.03	Calmont	1,200	.17	.17	.15	.15
1	.25	.03½	Common. Pete.	1,200	.12½	.13½	.12	.12
No	2.50	.11	Dalhousie	4,900	.75	.75	.67	.75
No	.19	.02	Devenish	3,650	.14	.15	.12	.14
No	.65	.15	East Crest	15,400	.31	.35	.30	.35½
No	.36	.23	Erie Gas	39,100	.33½	.35	.28	.30
No	.02	.00½	Fabyan Pete.	17,500	.01½	.01½	.01	.01
No	1.75	.06	Foothills	275	.90	.50	.48	.50
No	.28	.04	Freehold	40,200	.13½	.15	.13	.14
No	.12	.01	Hargal	.....	.10	.....	.....	.....
No	4.05	.30	Home	9,095	2.30	2.35	2.15	2.25
No	.05	.05	Homestead	.....	.05	.....	.....	.....
1	.25	.10	Homestead O. & G.	500	.16	.16	.16	.16
No	.47	.10	Lowery	.....	.35	.....	.....	.....
No	.03½	.03	Madison	4,500	.03½	.03	.03	.03
No	.20	.05½	Marion Oil	1,700	.15	.17	.15	.15
1	1.85	.14	Mayland	1,013	1.50	1.41	1.35	1.35
No	.10	.08½	McD. Segur Ex.	1,200	.06½	.07	.06½	.07
	.08½	.05½	McD. Segur N.	.....	.08½	.....	.....	.....
1	1.10	.25	McLeod	1,400	.45	.60	.45	.60
No	.30	.07½	Mercury	26,050	.18	.18½	.17	.18
No	.45	.11	Merland	900	.32	.33	.33	.33
	.01½	.01	Mid West	.....	.01½	.....	.....	.....
No	.35	.09	Mill City Pete.	.....	.15	.....	.....	.....
1	.50	.12	Model	950	.34	.33	.30	.30
5	.30	.09	Nordon	13,533	.15	.15	.14	.15
No	.12½	.03	Oil Selections	198,400	.09½	.10½	.08½	.10
No	.20	.02½	Okalta	1,000	.10	.10½	.10½	.10½
No	.61	.20	Olga Gas & Oil	3,200	.41	.40	.39	.40
5	.03½	.01	Penn. Pete.	.....	.01½	.....	.....	.....
1	.25	.13	Petrol Oil & Gas	.....	.18	.....	.....	.....
1	.02	.02	Richfield	.....	.02	.....	.....	.....
No	23.00	5.75	Royalite	350	16.25	17.00	16.05	16.50
1	.25	.05	Sarnia Oil	4,800	.13½	.15	.13	.15
No	.45	.04	South West Pete.	100	.25	.25	.25	.25
1	.39	.08	Spooner	.....	.20	.....	.....	.....
No	.75	.12	Sterling Pacific	.....	.40	.....	.....	.....
	.43½	.43	Trinidad Oil	.....	.43½	.....	.....	.....
No	.25	.03	United	7,350	.12	.12	.10	.11
No	.25	.06	Vanalta	2,400	.14	.16	.14	.15
No	.08	.00½	Wainwell	6,000	.03½	.03	.03	.03

VANCOUVER STOCK EXCHANGE
(Transaction for Week to August 28)

Par Val.	Range 1933 High	Low	Company	Sales	Close Aug. 22 (or last)	High for week	Low for week	Close Aug. 28
25c	.03	.00½	Bayview	5,000	.01½	.01	.01	.01
20c	.10½	.02½	Beaver Silver	101,300	.07½	.10	.07½	.09½
25c	.17	.03½	Big Slide	77,525	.03½	.07	.05½	.06½
25c	.06½	.02	Bluebird	.....	.02½	.....	.....	.....
No	10.65	1.38	Bralorne	5,334	9.40	10.65	9.35	10.65
1	.57	.05	Bridge River Cons.	23,450	.32	.36	.32	.36
50c	.71	.35	Bridge River Exp.	42,600	.50	.53	.46	.52
100	89.00	88.50	B. C. Electric, pfd.	.....	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	.....	1.02	.....	.....	.....
No	.82	.52	Burns Mountain	.....	.55	.....	.....	.....
1	4.25	1.50	Cariboo Gold	62,636	3.75	4.25	3.80	4.05
No	12.90	5.60	Coast Breweries	667	11.00	11.10	10.50	10.50
25c	.02½	.00½	Cork Province	2,500	.01½	.01½	.01½	.01½
1	.05	.02½	Cotton Belt	.....	.05	.....	.....	.....
1	.08	.00½	Dalhousie Mines	2,500	.04	.04	.04	.04
1	.21½	.02	Dunwell	5,500	.14	.15	.14	.14
1	1.00	.28	George Copper	50	.45	.37	.37	.37
50c	.12	.04	Geo. Enterprise	.....	.04	.....	.....	.....
1	.09½	.02½	Georgia River	45,100	.05	.05	.03½	.05
1	.60	.16	Golconda	.....	.25	.....	.....	.....
50c	1.25	.60	Gold Belt	7,800	.65	.70	.63	.65
1	1.50	.95	Golden Belle	.....	1.50	.....	.....	.....
50c	.11	.03	Grandview	11,050	.05	.05	.04½	.04½
1	.01½	.01½	Independence	.....	.01½	.....	.....	.....
1	.03½	.01½	Indian Mines	9,500	.02½	.02½	.02½	.02½
1	.17	.03	Inter. Coal	.....	.03	.....	.....	.....
1	.36	.25	Jack Waite	.....	.36	.....	.....	.....
50c	.57	.30	Kootenay Belle	200	.31	.33	.33	.33
25c	.04	.00½	Kootenay King	.....	.01½	.....	.....	.....
25c	.03	.00½	L. & L.	.....	.00½	.....	.....	.....
1	.01½	.00½	Lakeview	6,000	.00½	.00½	.00½	.00½
10c	.06½	.01	Lucky Jim	5,550	.03½	.05	.04	.04
50c	.01½	.00½	Marmot Metals	.....	.00½	.....	.....	.....
10c	1.08	.01	Meridian Mines	78,050	.45	.52½	.45	.51
5c	.06	.02½	Metaline Metals	1,000	.05½	.05½	.05½	.05½
1	.05	.02	Mohawk	.....	.02	.....	.....	.....
1	.17	.12	Mogul	52,800	.13	.15	.14	.14
50c	.41	.18	Morning Star	31,000	.27	.27½	.25	.26
1	.05	.01½	Morton Woolsey	3,000	.02½	.02½	.02½	.02½
1	.29	.05	Native Sons	55,850	.11	.11½	.09	.10½
50c	.10½	.05½	National Silver	92,900	.06	.07½	.06½	.07
50c	.91	.74	Nicola	22,400	.88½	.91	.88	.90
50c	.25	.05	Noble Five	22,900	.12	.12½	.11½	.12
1	.01	.00½	Oregon Copper	.....	.01	.....	.....	.....
1	.35	.10	Pavilion	.....	.20	.....	.....	.....
1	1.25	.40	Pioneer Extension	.....	1.10	.....	.....	.....
1	16.10	4.30	Pioneer Gold	110	13.00	13.50	13.50	13.50
1	.05	.01½	Planet	.....	.02½	.....	.....	.....
50c	.19	.04	Porter Idaho	3,500	.09½	.10	.09½	.10
No	.05	.01½	Premier Border	49,500	.01½	.02½	.01½	.02½
1	.10	.02	Quatsino Copper	2,000	.03	.03½	.03½	.03½
No	.12	.04	Reeves McDonald	600	.20	.20	.20	.20
1	.30	.25	Reliance	.....	.27	.....	.....	.....
1	2.70	.60	Reno Gold	21,720	1.55	1.52	1.40	1.50
1	.22	.06	Reward Mining	8,900	.13½	.14	.12	.13
1	.10	.05	Rufus Argenta	56,500	.06	.06	.05	.06
1	.07	.02	Ruth Hope	.....	.02½	.....	.....	.....
1	.12	.05	Sally Mines	6,800	.45	.50	.45	.50
1	.15	.05½	Silverado	1,650	.10	.07	.06	.07
25c	.09	.01	Silver Crest	22,700	.05	.04	.03½	.04
1	.03½	.03½	Silversmith	.....	.03½	.....	.....	.....
50c	.04	.00½	Snowflake	16,250	.01½	.01½	.01½	.01½
25c	.06½	.03	Sonora	.....	.03	.....	.....	.....
1	.61	.40	Standard Gold	.....	.40	.....	.....	.....
1	.50	.25	Sunloch	.....	.40	.....	.....	.....
1	.10	.05	Toric	.....	.05	.....	.....	.....
50c	.03½	.02	Topley Richfield	.....	.02	.....	.....	.....
50c	.70	.38	Wayside	30,250	.65	.63	.59½	.63
25c	.06	.00½	Waverly Tangier	128,800	.05½	.05	.04	.04
20c	.06	.02	Wellington	6,000	.01½	.02½	.02	.02½
1	.36	.25	White Eagle	6,000	.28½	.29	.27	.28
1	.18	.03	Whitewater	11,000	.07½	.09	.07½	.09
1	.48	.40	Yankee Belle	.....	.42	.....	.....	.....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	5c.	5.88	Merland Oils‡	5c.	.....
Coniagas‡	12½c.	.....	Noranda‡	50c.	.....
Coniaurum†	5c.	.....	Petrol Oil	*2c.	.....
Cons. Smelters*	10%	.....	Premier	12c.	9.23
Dome Mines	$1+55c.	4.85	Pioneer, B.C.	60c.	4.89
Falconbridge	5c.	.....	Royalite	50c.	.....
Goldfield Cons.‡	2c.	.....	Siscoe	12c.	8.51
Hollinger	65c.+10c.	7.21	Sterling Pacific Oil‡	3c.	.....
Howe Sound	50c.	.....	Sylvanite	4+1c.	4.09
Lake Shore	$2+$1	6.45	Teck-Hughes	60c.	9.16
McIntyre	$1+75c.	4.79	Wright-Har.	20c.	2.63
McLeod Oils‡	5c.	.....			

*Stock. ‡Interim. †Initial. *Paid in 1932.

Siscoe Cuts New Ore Zone

The enlarged milling operations at Siscoe Gold Mines, have treated 320 tons of ore daily for several days in succession, J. T. Tebbutt, president of the company, told The Financial Post last week and the value of the gold produced in August was between $145,000 and $150,000.

On the southerly contact, a new fracture zone about 350 ft. north of any previously known ore, cross-cutting on three levels has confirmed the diamond drilling results reported in the company's six months progress statement and ore developments are seen in a most encouraging light by Mr. Tebbutt.

With the increased milling facilities the grade of ore treated is showing a lower grade tendency, partially due to all ore encountered in development being treated and partially due to the policy adopted by the leading gold producers of taking advantage of the present high price for gold to treat lower grade ore, which otherwise would not be profitable.

The resignation of J. M. Forbes, general manager of the company, which was reflected in the market value of the company's shares apparently is not thoroughly understood. Mr. Forbes, although his resignation has been accepted reluctantly, is under contract until next March and the company has the advantage of consultation with him until that date. In the meantime, C. O. Stee, M.E., who has been in direct charge of operations of the company's property for the past two years as Mr. Forbes' assistant, is in charge as mine manager.

The report that John Knox had resigned from the board of directors is also premature. He is continuing for the present at least as a director of the company, The Financial Post is advised.

At the Mines

Bear Exploration and Radium—Shares reappeared on the listed section of the Standard Stock and Mining Exchange on September 5. Initial sales were at 69 cents per share.

* * *

Britannia Mining & Smelting Co.—The company is concentrating on its deep level adit on Prosperine Mountain, Cariboo area, with plans for continuing operations throughout the winter months.

* * *

Canada Lode Gold Mines—Heavy mineralization carrying high values in gold is reported in the face of the adit being driven on the company's property on the north side of Lightning Creek, Cariboo district, B.C.

Eldorado Gold Mines—Construction is proceeding on the company's silver concentrator at Great Bear Lake with plans calling for its completion this year. High grade silver ore has been bagged for shipment to the Trail smelter and pitchblende ore is bagged for shipment to the company's radium refinery at Port Hope.

* * *

Great North Mines Corporation—This newly incorporated company was formed to develop property in the Mine Centre district of Ontario with initial efforts centred on a group of claims adjacent to the old Foley Mines. George W. Hall, Sault Ste. Marie, is field manager.

Goldfields Consolidated Mines Ltd.—Shareholders are advised by George Wingfield, president of the company, that the par value of the shares is to be reduced from $10 each to $1 each, thereby reducing the transfer fees and taxes.

* * *

Parkhill Gold Mines—Shares of this company were called for trading on the Standard Stock and Mining Exchange on September 5. Trading on the first day ranged between 28½ and 30 cents per share.

* * *

Richfield Cariboo Gold Mines—The adit into the mountain side has been extended some 120 ft. and work will be speeded by operating three shafts daily. Surface work has disclosed some 15 veins, which are said to average four ft. in width. It is expected these will be cut by the adit now being driven. Additional claims acquired on Williams Creek bring the company's total holdings to 1,395 acres.

* * *

San Antonio Gold Mines—Reliable reports from the property are of the most encouraging nature with ore developments well exceeding that mined. Production profits foreshadow a dividend before the end of year as earnings are piling up a generous working capital.

* * *

Seguin-Rouyn Gold Mines—A diamond drilling programme has been recommended by the company's engineer, Chas. Spearman, following a recent examination of the company's property.

* * *

Sterling Gold Mines—A five foot vein has been encountered in the main development adit at the company's property in the Similkameen district, B.C. which is reported to be impregnated with arsenical pyrite, carrying high gold values.

* * *

Smelter Gold Mines—From H. L. Donaldson, mine manager of the company, comes a report of a vein discovery on Smelter's claim No. 1233, believed to be a continuation of the Aker's vein from the adjoining God's Lake Gold Mines. Diamond drills are to be taken to the property and a mining plant is planned to speed the development work, while a complete assay plant is en route to check sampling.

* * *

Ventures Ltd.—A new company, Matachewan Consolidated Mines, Ltd., has been formed to take over the property of Matachewan Canadian Gold under a working option agreement to Ventures. Under the reorganization 1,200,000 shares of the 3,000,000 authorized shares in the new company will be issued to Matachewan Canadian Gold. The balance or 1,800,000 will be under option to Ventures.

* * *

Wright-Hargreaves Mines — The regular dividend of 5 cents per share was sweetened by a bonus of 5 cents per share, the total payable October 2, to shareholders of record September 9. This dividend is payable in U. S. funds and brings the total disbursement for 1933 to 27½ cents per share as compared with 17½ cents in 1932.

Cariboo Gold Quartz Ships Fifth Gold Brick

The fifth gold brick from the Cariboo Gold Quartz Mining Company property, valued at some $36,000 has just been shipped, bringing the total value of the production this year to $141,000. About $400,000 is reported in the company's treasury to finance future programmes.

The company was recently host to the visiting Vancouver Board of Trade party making a tour of the Cariboo area, principal interest in which centres about the company's operations.

EAST STATES OPPOSITION TO CENTRAL BANK

(Continued from page 13)

system and should therefore be considered.

Banks Present Brief

J. W. Spears, assistant general manager of the Bank of Montreal, and S. L. Cork superintendent of the Royal Bank, at Winnipeg, presented a brief on behalf of western subsection of Canadian Bankers' Association. The prairie provinces, it was stated, is not an easy territory in which to lend money for crop volume varies greatly. There are 790 branches in these provinces and even the smallest branches offer complete banking service. Financing the farmers' needs is the greatest undertaking of the banks in this section and to finance the 1932-1933 grain crop from delivery by farmers to terminal elevators took credits to the amount of $225,000,000. Financing of provincial and municipal governments takes substantial loans but the banks cannot finance capital expenditures. Loans to farmers and ranchers are also important and loans to this class of borrower totalled $61,460,000 at the end of 1932. During 1932 new loans were granted to the amount of $8,891,000 of which 65 per cent was repaid from that year's operation. In addition, $8,666,000 was paid in on old loans. Bankers have to judge each application for credit on the basis of the borrower's integrity, his willingness to repay and also on the merits of whether or not in the event of crops not reaching expectations the financial position of the borrower is sufficient to safeguard the bank against loss. Interest on loans throughout the prairie provinces is 7 per cent having been reduced from 8 per cent.

Embarking by governments on schemes to assist farmers has proved exceedingly costly and very large sums have been lost. These schemes cover loans to provide mortgage money for farmers, loans to purchase livestock and advances to conduct general farming operations.

Loans Exceed Deposits

Even the smallest branches cost $6,000 to operate each year and allowance must be made for risks of lending heavily increased taxation. Losses have been heavy on loans in the prairies. Branches feel the effect of a depression early and improvement is usually delayed. Managers on the prairies average over 40 years of age with an average service in the bank of 20 years; they take an active interest in the affairs of the community. All banks have superintendents in Winnipeg; three have superintendents in Regina and Calgary. Many of the banks also have western directors.

Total deposits in the prairie provinces amounted to $294,319,813 at January 31, 1932. Loans outstanding in the prairies totalled $286,298,710. In addition the banks held securities of the three provinces, municipalities, railway and other bonds of provincial corporations to the amount of $73,290,035; had $30,184,719 in bank premises and prairie branches carried $11,445,898 in cash. Loans in the prairies exceeded deposits by $8,021,103 while total banking investments in the three provinces exceeded deposits by $106,899,549. Of the loans 60 per cent were made directly in connection with agriculture while the bulk of the balance was made to finance those indirectly dependant upon farming. Mr. Spears could not state what proportion of deposits were demand deposits and what proportion was savings. Mr. Brownlee requested that this information be forwarded to Ottawa.

Canada Northern Power Cancel Sale to Power Corp.

From Our Own Correspondent

MONTREAL.—Directors of Canada Northern Power Corp. have cancelled the resolution authorizing the sale of the balance of the unsold common stock set aside for subscription by employees, amounting to 17,590 shares, to Power Corp. of Canada at a price of $12 a share. In its place the directors have passed a resolution authorizing the issuing of rights to shareholders on the basis of 1 new share for each 5 held at $12 each to the extent of 15,790 shares. These rights are good until noon of October 31, 1933.

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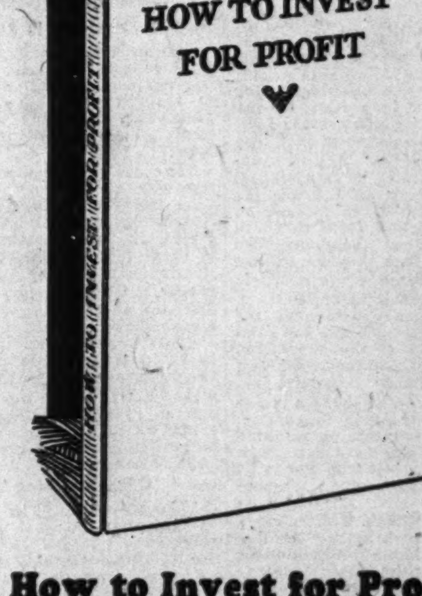
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The Week in Mining

Sylvanite

SYLVANITE Gold Mines shares have been steadily advancing in price, largely in sympathy with other dividend payers, but reliable advice from New York is to the effect that a group there has been accumulating large blocks of the stock without making any ostentatious efforts to get it. From 80 cents per share early this year, the shares advanced to a high of $1.44 in June and since that time have remained strong and are currently selling at near $1.30 each.

* * *

Gold Production Measure

FOLLOWING the time honored system, most Canadian gold producers continue to express their gold output in terms of dollar value, instead of expressing it in terms of ounces or pennyweight as do the producers in South Africa. When gold was selling at the normal price of $20.67 per ounce and the question of exchange was not a matter of great importance, there was but little confusion in using the dollar yardstick for measuring the production, but now that gold is selling at unprecedented prices and with exchange such an arbitrary factor and with some producers showing production in terms of gold at $20.67 per ounce and others showing the production in terms of net settlement, the time has arrived for a standardized unit, which is comparable with production in former years and less confusing to shareholders and those not intimately acquainted with the present fluctuating values.

For many years the Ontario Department of Mines has reported the gold and silver output of the Ontario producers in terms of ounces as well as value at normal prices. It has also given in recent years the exchange compensation obtained from the reported production. All of this means additional work, which could be readily corrected by simply expressing gold production in terms of weight instead of value and thereby have a standardized system that would not only be comparable with production in previous years but also render it more comparable with the production of other world producers of the precious metal.

* * *

Promotion Rampant

NEVER in the history of gold mining in Canada has there been such activity in the exploration for gold nor such well directed search conducted, and never has there been such an orgy of promotion, much of which has no other objective than lining the pockets of investors who are anxious to participate in the present boom. Real estate men, oil stock promoters, New York brokers of low standing, unscrupulous vendors of mining claims, pseudo prospectors and other parasites of the industry are all seeking to capitalize the gold consciousness of the public.

Much good is accruing to Canada from the present search for gold. Not only are new districts receiving attention but districts that for years have lain dormant are being given the attention they deserve. In addition there are literally hundreds of old properties, many of them former producers, that are being resuscitated and given a chance under intelligent direction while a greater number still are being used simply as pawns to facilitate the selling of worthless mining shares. To separate the wheat from the chaff and lend support where the cause is a worthy one is the very difficult task of the investor today. That there will be heartaches is a certainty, but they are the uncontrollable penalty that is inseparable from the legitimate development of mining in all parts of the world. One yardstick exists in all promotions—that of personnel—which should command the first consideration of the investor.

Report to Be Issued On Labrador Gold Find

The government party, which included Hon. W. J. Walsh, Minister of Agriculture and Mines for Newfoundland, F. W. Foote, mining engineer, and Dr. A. K. Snelgrove, geologist, has returned from an inspection of the gold discoveries in Northwestern Labrador, but in an interview with the "St. John's Daily News" they were reticent about discussing its importance.

Leaving St. John's on July 29, the party proceeded to Seven Islands on the St. Lawrence and from there to the Canadian Airways seaplane base at Moisle, from which they were flown approximately 200 miles due north to the site of the new discoveries.

Making their headquarters at the government camp at D'Aigle Bay, the technical members of the expedition started a systematic examination and sampling of the finds on the Bondurant concession. Eight quartz veins were reported on the first concession, some of large size containing sulphide mineralization. Samples taken from the trenches on the outcrop are to be assayed and results given in a report at a later date.

At the Lake Wabush Katsao camp 39 men were at work among the five parties, which include the Bondurant concession (Kayak Syndicate); Tobias Jackman concession; Labrador Gold Mining Co.; the Duley (Rainbow) Syndicate concession and the Chalmers party.

All the various showings on the respective concessions have been sampled by the government engineers.

A remarkable amount of work is said to have been already accomplished by the various groups in the area, but due to the large number of samples taken it is expected that some time will be required to complete the assays and incorporate them in the official report.

Metal Prices

New York—September 5:
Copper: Electrolytic spot, 9c. lb.
Silver: 37c.
London—September 5:
(Long Ton)—
Copper: Electrolytic spot, £39 10s; future, £40.
Standard spot, £36; future, £36 7s 6d.
Tin: Spot, £219 2s 6d; future, £219.
Lead: Spot, £12 5s; future, £12 10s.
Zinc: Spot, £17 2s 6d; future, £17 7s 6d.
Silver: 18 3-16d. per ounce.
Gold: 130s 4d.
Canada—September 5:
Gold: $31.40.

Canadian Mining News

RENO GOLD MINES REPORTS $38,707 PROFIT FOR 14 MO.

Insurance Enables Operations to Be Resumed Following Fire

ORE ON LOW LEVEL

Company Emerges From Crucial Period Without Liabilities—Ore Outlook Hopeful

Annual report of Reno Gold Mines for the 14 months' period ended June 30, 1933, covering activities at the company's property near Nelson, B.C., shows an operating profit from mining operations of $32,237. As the company's mill was burned in February, 1932, production was not resumed until January this year, therefore operating figures cover but six months activity.

After giving effect for the $90,000 use and occupancy insurance received following the fire and reserve for depreciation, depletion and taxes, the net profit for the 14 months period was $38,707.

The following tabulation gives comparative income and surplus account figures as follows:

INCOME AND SURPLUS ACCOUNT

	14 mos. ended June 30 1933	12 mos. ended Apr. 30 1932
	$	$
Bullion prod.	118,621	176,386
Concen. prod.	3,538	14,329
	122,159	190,715
Less: Mining	71,466	85,369
Ore trans.	5,983	3,843
Milling exp.	30,267	35,606
Marketing	3,089	5,962
Adminis. exp.	14,296	14,701
	*2,942	45,234
Add other income:		
Int., disc. & exch.	......	1,106
Premium	......	19,905
Exch. on gold	34,802	......
Miscel.	1,892	2,196
Use & occupancy income (net)•	39,345	......
	73,097	68,441
Less: Deprec. res.	13,412	10,351
Depletion res.	9,160	27,644
Prov. minerals tax ...	1,516	2,802
Prov. inc. tax	10,302	103
Federal inc. tax		3,097
Net profit & surp.	38,707	24,444
Previous surplus	35,206	10,762
Balance forward	73,913	35,206

* Loss or deficit.
• Represents insurance recovery from the fire destruction of old mill of $90,000 less expenses incurred during shutdown, $34,899 and depreciation of $15,756. (In addition, the company recovered $76,800 representing the physical loss).

The report under review covers an abnormal period, which gives but little indication of the potential profit or productiveness of the property. Following the mill destruction in February, 1932, the company purchased the adjacent Nugget and Motherlode properties, both old producers and consolidated them with the original Reno group. The Motherlode mill was rehabilitated for a 100 ton daily capacity, a cyanide unit added and a 12,600 ft. aerial tramway built to connect the mill with the original Reno claims where development and production has been centred. The hydro-electric plant on Sheep Creek was also rehabilitated and enlarged to facilitate the greater production programme.

Ore Grade Lower

In the six months period ended June 20, 1933, 11,059 tons of ore was milled from which a recovery of $10.72 per ton in gold was made, exclusive of exchange compensation. This compares with production in previous periods as follows:

Production

Year	Tons milled	Daily aver.	Rec. per ton	Bullion value
1929§	1,481*	15	$25.00	$ 37,000
1930§	9,670	28	16.78	163,000
1931§	11,944	33	16.88	201,570
1932°	10,634	..	17.90	190,715
1933†	11,059	61	10.72	118,621

§Calendar years.
*Tuning up.
•Tuning up.
°Production in fiscal year ended April 30, 1932. Production suspended by fire in Feb., 1932
†Covering 14 months to June 30, 1933.

Taking advantage of the re-construction period, development work was carried on without interruption. On the No. five level a total of 2,097 ft. of lateral work has been completed. The first ore shoot was encountered approximately 1,100 ft. from the portal of the adit and ore shoots encountered on this level total 619 ft.

Faulting is Solved

The main fault encountered on the No. five level displaced the ore which was again picked up on the east side. In reporting to shareholders, O. C. Thompson, managing director, commented on ore developments as follows:

"The ore shoots appear to be raking with the dip of the formation. This has been demonstrated on the Nos. three and four levels where the formation to the east dips at from 57 to 45 degrees easterly and the ore shoots have lengthened out to that extent. On No. five level, some distance east of the fault, the formation has flattened to a dip of 22 degrees easterly and indications are that the ore shoot is extending with the dip. The extent of the lengthening of the ore shoot on the No. five level can only be determined by development, which shows the ore shoots to be gradually widening with depth and holding their values.

Open No. 5 for Stoping

"The main ore shoot of the mine, as shown on the Nos. three and four levels has not yet been reached on the No. five horizon. It is probably due to the flattening of the formation on this level which is extending all the ore shoots in this area to the east and through which the tunnel is now being driven. Good results are anticipated when this area is reached. On the No. four level the ore shoots cover a distance of approximately 1,200 ft. and considerably greater distance is expected on the No. five. A three compartment raise has been put between the No. five and four levels and considerable of the ground on No. five is opened up for stoping."

Sell Some Claims

On the Motherlode and Nugget properties tunnels and raises have been put in shape for a thorough examination now under way. Consideration is being given to development of zone veins at greater depth and the contour of the mountains permits of their being cut at a level 500 ft. below the presently lowest tunnel.

The insurance received following the mill's destruction by fire amounted in all to $166,800, of which $76,800 represented physical loss and $90,000 represented use and occupancy. The company's liquid position as at June 30, was in a comfortable position with current assets of $40,578, while liabilities totalled $16,473 with production augmenting the current assets.

Thompson Cadillac Mine To Resume Development

Canadian Enterprises Undertakes to Refinance New Work Which May Call for Enlarged Power Plant

Through new financial arrangements with Canadian Enterprises Ltd., headed by Sir Thomas Tait, work at Thompson Cadillac Mines is being resumed and arrangements for forthwith pumping out the shaft and pressing developments at the company's property in Cadillac Township, Quebec, adjoining the O'Brien Mines now in production.

The company owns some 600 acres and several vein systems have been traced for a total distance of approximately 5,000 ft. on the surface. The No. one or south vein and the No. two or north vein each has been developed by shafts sunk some 900 ft. apart. The No. one shaft has been sunk to a depth of 630 ft. and has levels established at 150 ft. intervals. The No. two shaft has been sunk to a depth of 100 ft., but little work has been done.

Ore Reserves 25,000 Tons

Altogether some 3,500 ft. of lateral work has been done in addition to diamond drilling and surface work. On the 150-ft. level several important ore shoots have been opened up, giving commercial values over good lengths and full mining widths. One ore shoot for a length of 35 ft. showed values of $30.96 per ton in gold over full mining widths. The average grade of all the ore shoots is estimated in excess of $8. On the 300-ft. level one ore shoot 650 ft. in length was reported. The No. two vein is estimated to average better than $8 per ton over full drift widths.

The ore reserves are estimated at 8,000 tons on the 150-ft. level and 27,000 tons between the 150 and 300-ft. levels, with the grade averaging $8 per ton, with gold at normal value.

In 1928 a 10 stamp Stroube mill was installed for sampling the ore from development work and plans are now being considered for the installation of a Diesel engine to speed development work if hydro-electric power is not extended to the area.

BRIDGE RIVER PLACER WORK IN FULL SWING

Property of Lower Bridge River Placers Creates Wide Interest

Its first clean up completed, the Lower Bridge River placer is definitely in the producing ranks as one of the most interesting and largest placer operations being conducted in British Columbia. Its property comprises some 18 leases, nine miles along the Lower Bridge River, just above its confluence with the Fraser. In addition to the river leases the company holds six bench leases contiguous to the river property.

Following the installation of an experimental plant erected in 1931, last year saw the installation of a large gravity hydraulic plant, comprising about a mile of open canal and the construction of 2,000 ft. of pipe line to bring the water from Seven Mile Creek to a main monitor basin close to the river, which gives a working head of some 430 ft. Natural conditions are said to be perfect for the construction and operation of a hydraulic plant and already this year some 200,000 cubic yards of material have been run through the 252 ft. sluice box line.

Washes Down 2,000 Cu. Yds. Daily

A start made in the great gravel bank is already over 400 ft. deep laterally by 150 ft. wide and with a maximum depth of the bank of over 90 ft. This 90 ft. depth is not yet down to bedrock but is still some 60 ft. above river level and as work progresses bedrock will be reached. The washing down and cleaning of the gravel through the great sluice boxes shows that the initial material is substantially richer than that shown by earlier prospecting. Considering the magnitude of the operations and unique natural facilities a great deal of interest has centred about the company's operations. The bedrock is a 6 ft. layer of cemented gravel about 15 ft. above normal river level, which gives ample grade for the sluices. About 2,000 cubic yards of gravel per day is being treated.

The company headed by A. N. Wolverton as president, has an authorized capitalization of $1,000,000 in 50c. par value shares, of which about 250,000 shares still remain in the company's treasury, following the completion of financing, which brought the project into production.

Cariboo Mountain Exciting Comment

From Our Own B. C. Mining Correspondent

VICTORIA, B.C.—Government assays of ore taken from the surface showings on the Cariboo Mountain Gold Mines Ltd., the company which is headed by W. A. McKenzie, former minister of mines for the province of British Columbia, have caused considerable comment in mining circles here. Random samples taken from the 17 foot vein at the surface gave returns of $26 to $60.80 per ton in gold.

Work was started a few weeks ago on a tunnel to tap the vein at 200 ft. depth, and seven feet from the portal, another smaller vein was encountered. The company's engineers expect to cut several additional veins in projecting the tunnel 400 ft. to reach its main objective, the vein, which outcrops for 1,000 feet up the mountainside.

NORTHERN CANADA MINING CORPORATION, LIMITED
Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines
HON. CHARLES McCREA,
Minister of Mines

ST. ANTHONY MINE PLANS PRODUCTION BEFORE YEAR END

Property Being Speedily Rehabilitated Following Refinancing

In a progress report for the period ended August 26, shareholders of St. Anthony Gold Mines are apprised of recent developments planned with the objective of getting the mine into production this year.

The Ontario Government has a party of some 40 men at work on the roadway from Savant Lake Station on the C.P.R. to the head of Sturgeon Lake, a distance of 3½ miles. To facilitate transportation from the head of the lake to the company's property, a distance of seven miles, a new boat has been purchased and the company's launch and scow reconditioned and placed in commission.

All the necessary equipment for the excavation and construction of a hydro-electric plant and dam has been delivered to the power site, and a right of way, eight miles to the mill, is being cleared for the transmission line. The machinery for the hydro-electric plant has been dismantled at Coboconk, Ont., and plans call for its delivery at Sturgeon Lake early in September. The equipment to rehabilitate the mill and that necessary for the 125-ton cyanide unit is on order for delivery about October 1.

The company has acquired five additional mining claims adjacent to the present holdings, bringing the total holdings to about 700 acres. A diamond drilling contract has also been let to explore a large quartz outcrop on the newly acquired claims.

In June last the company announced that a new financial group had become interested in the property and was providing funds for mine and mill rehabilitation and the construction of a hydro-electric plant, as well as the installation of a cyanide unit. Lawrence B. Wright, formerly with the Homestake Mining Co., is consulting engineer in charge of operations. H. P. Bellingham, of Toronto, is president.

Turner Valley Developing

About $2,000,000 is being expended at the present time in the development of the Turner Valley, mainly at the southern end of the field. Thirteen new oil wells are being drilled at an eventual cost of $150,000 each on the average with local capital largely involved.

SURVEY - EXPLORATION - TRANSPORT - PHOTOGRAPHY

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ISLAND LAKE MILL AWAITS MORE ORE SEARCH GOING ON

Underground Disappointment Halts Programme to Start Mill

Lateral work on the 125 ft. and 225 ft. horizons at Island Lake Mines has encountered a disturbed faulted condition and so far none of the promising ore bodies intersected by diamond drilling at shallow depths has been found to continue to the 125 ft. level, according to Thayer Lindsley, vice-president of the company, in an interim report on operations, dated August 30.

Mr. Lindsley comments that it is, therefore, necessary for the company to feel its way cautiously for the present and it would not be advisable to start milling operations until more work has been done and the ore situation clarifies.

The 50 ton daily capacity mill has been completed and is ready to start as soon as sufficient ore is developed.

Shaft and Mill Start

In the first annual report of the company covering the fiscal year ended December 31, 1932, a complete report of drilling operations was published as at that time. Some 24 holes were reported on from the Gold Island drilling, only five of which penetrated below the 125 ft. horizon. The mill was started simultaneously with the sinking of a shaft.

All work and construction of the mill was carried on entirely by Ventures under an option, which entitled it to shares from the original owners of the claims.

At the time the commencement of a mill was announced in the summer of 1932, surprise was expressed in many quarters that decision to construct a mill had followed so closely on the discovery of the property, prior to an adequate diamond drilling or deep underground exploration programme.

In the annual report, H. R. Drummond-Hay, president of the company, drew the attention of shareholders to the fact that the property of the company was still undeveloped and was still a prospect.

NEW BROKERAGE FIRM IN TORONTO

Rittenhouse, Hamilton & Co. Are Standard Stock & Mining Exchange Members

The formation of a new mining brokerage house under the firm name of Rittenhouse, Hamilton & Co., is announced by Roy V. Rittenhouse and John W. Hamilton. The new firm is a member of the Standard Stock & Mining Exchange, and has opened an office in the Star Bldg., 80 King St. W., Toronto.

Mr. Rittenhouse has for many years conducted an advertising and statistical agency that has been intimately connected with mining and has gained a valuable knowledge of the mining activities throughout Ontario and Quebec. Mr. Hamilton has been closely connected with various phases of the brokerage business and brings to the new firm a sound understanding of the executive end.

Reno Gold Shareholders Told Ore Outlook Good

At the annual meeting of Reno Gold Mines held August 29 in Vancouver, O. C. Thompson, managing director, officially denied rumors that Reno's ore shoot was bottoming at the fifth level. Ore reserves stand at 38,000 tons of proved ore and 106,000 tons of ore assured, not counting the ore shown by the winze, which is down 90 ft. below the fifth level and has drifted on the vein for 60 ft. with the face still in ore. Ore on the fifth level is slightly wider and of a better grade than on the level above. As high as 80 per cent of the ore has come from development work, while heads are averaging slightly over $10 per ton.

To Sink 1,000 Ft. Shaft

Mr. Thompson plans sinking a three-compartment shaft to 1,000 ft. as soon as the east ore body has been fully developed. This shaft, it was said, would suffice for development purposes for the next three or four years and if results warrant it a long tunnel will then be driven from the Motherlode side of the shaft to cut the Motherlode and Nugget veins at a new depth and to tap the Reno vein below the shaft level.

LEBEL ACQUIRES GOLD PRODUCER

Long Lake Gold Mine Near Sudbury to be Exploited

Lebel Oro Mines, incorporated in 1920 to develop a gold prospect in the Kirkland Lake area, is to be revitalized through the activities of Draper Dobie, who has acquired for the company the Long Lake Gold Mine, a former producer near Sudbury, and is giving it and Lebel shareholders a further chance to realize their ambitions to make a mine.

The Old Long Lake Gold Mine, which is reached by a 10-mile road from Naughton station, 11 miles west of Sudbury, Ontario, was a promising producer between 1910 and 1916, treating some 150,000 tons of ore averaging about $7.53 per ton in gold, from which a recovery valued at nearly $1,000,000 was made. This early effort under the direction of Canadian Exploration Co. was carried to a depth of 225 ft. where a faulted condition resulted in losing the vein.

Purchased by Stock Issue

It was not until a few months ago when C. D. Keading and Eldon Brown became interested in and acquired the property, that its potentialities were recognized, particularly with gold at present prices. Mr. Keading was called to California and Wm. Englebright, who had been associated with him in the past, brought the property to the attention of Draper Dobie and the Lebel Oro Mines. Outside of the actual expenses incurred Messrs. Keading and Brown are taking shares in Lebel Oro for the property as vendors.

No equipment from the old operations remains on the property, but a tailings dump, said to contain recoverable gold sufficient to pay for the construction of a mill, remains at the site.

Dewatering of the mine has started and Lebel Oro has funds available for the further examination and development of the property under the direction of Wm. Englebright, who has been appointed managing director of Lebel Oro. B. O. Jones, of Toronto, is president of the company and Walter Hurd is vice-president. Lebel Oro has an authorized capitalization of $3,000,000 in $1 par value shares of which 1,640,000 shares are outstanding. The shares are listed on the Standard Stock & Mining Exchange.

Model Oils Reports $47,224 Net Profit

At a shareholders' meeting of Model Oils Ltd., recently held in Calgary, the annual report was submitted, which showed a net profit of $47,224 for the twelve months ended May 31, 1933. From the sale of 44,366 barrels of oil, $107,975 was realized which, after adding royalties, transfer fees and interest received, gave the company a net income of $103,067. Salaries and head office expenses totalled $24,249 while the depletion and depreciation totalled $31,594.

The liquid position of the company showed a decline from the previous year reflecting an increase in development expenditures. Current assets totalled $54,226 while current liabilities totalled $11,690.

The company's holdings include some 1,008 acres in Alberta. Of this 40 acres are in the Turner Valley area where the only production is from its No. 1 well, which blew in early in April, 1930. The decline in annual oil production, shown at 61,356 barrels in the previous fiscal year, can be attributed to the conservation schedules in force under the Turner Valley Gas Conservation Commission.

"Gold in Canada" Proves Popular Edition

So popular has been the report of the Department of Mines, Ottawa, on "Gold in Canada" that a revised edition has been prepared.

The report furnishes a brief history; a record of annual productions; such details of cost as are available and a description of the mining and milling methods for each property now in production. In addition, there are short discussions of such topics as the physical and chemical properties of gold; its rarity and modes of occurrences; the history of its use; the gold standard; the history of the world's producers; types of ores from which gold is produced and the history of gold production in Canada.

Copies of the report are obtainable gratis from the Director, Mines Branch, Department of Mines, Ottawa.

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Closing Offering of Treasury Shares of
SMELTER GOLD MINES LIMITED
located in the
GOD'S LAKE GOLD AREA

PROPERTY	Three properties (1,450 acres) in God's Lake Gold Field. Two and one-half miles in length along the gold belt.
ORE (definite)	Main vein uncovered continuously for 1,300 feet in length, average width seven feet, containing very high-grade ore, with spectacular showings of native gold. Possible to stand 15 feet from vein and see native gold sticking out of the quartz.
ORE (possible)	Continuation of main vein uncovered at a point 900 feet to the west of west end of 1,300 feet referred to, indicating vein length, so far, of 2,200 feet. Property on which this vein has been proved (No. 3) covers strike for 3,000 feet in length. The company's easterly property (No. 2) covers strike for additional length of 4,500 feet. —Two promising parallel veins, both less than 60 feet from main vein in same shearing, uncovered for 100 feet in length. —In a report dated August 12th, 1933, H. L. Donaldson states that several new veins have been discovered, paralleling the deposits above referred to. In another report dated August 28th, 1933, Mr. Donaldson states: "Believe we have located Akers vein on Smelter." The discovery of the Akers vein on Smelter Gold is over 3,000 feet south of Smelter's main high-grade vein and is on Claim No. 1233, which adjoins the God's Lake Gold on the east. Having in mind the results obtained on the Akers vein, this discovery is very important.
FINANCES	First offering of shares greatly oversubscribed. Present offering already heavily subscribed for, resulting in present strong cash position. 250,000 shares purchased by one mining man, 2,000,000 shares still in the treasury. Properties owned outright. No liabilities.
MANAGEMENT	H. L. Donaldson, well-known mine operator, capable of managing operations through all stages, including production.
PROGRAM	Extensive diamond drilling campaign. Drill being taken to property as quickly as possible. Mining plant to be installed. Complete assay plant enroute to property.
Present Offering	*The offering of a limited number of shares, at 25 cents per share, is still open for public subscription, but this public offering positively closes on or before the 11th day of September, 1933. At such time as this offering is oversubscribed the company reserves the right to allot shares, fill orders in part or in full or completely reject any order.*

It will be noted that the company's program now includes extensive diamond drilling. The decision to diamond drill, in addition to earlier plans, is due to the recent important developments, including the discovery of so many new veins on the company's property, and the diamond drilling will greatly facilitate the development of the deposits.

Mining Critics Favor Outlook

"GOD'S LAKE GOLD FIELD PROMISES RICH RECOVERY."—(Special to The Mail and Empire.)

"Winnipeg, Aug. 15.—Profitable gold production appears to be assured for the God's Lake gold field. Although the first discoveries were not made until late in the summer of 1932, results so far obtained have compared favorably with early results in the rich Kirkland Lake area. . . . Some of the richest showings occur on Smelter Gold."

"Smelter Gold is Developing into Important Mine."—Canadian Mining Reporter, Aug. 17, 1933.

"Financing of Smelter Gold Mines has been quickly successful."—The Northern Miner, July 20, 1933.

"The discovery (Smelter Gold's) is one of the best examined by the Mining Analyst." — Mining Analyst, July 3, 1933.

"Sensational Discoveries from Smelter Gold Assays."—Gold, July 19, 1933.

"This new area that has recently sprung into prominence through the spectacular developments on God's Lake Gold Mines and Smelter Gold Mines, bids fair to outstrip many of the older and better established mining areas of Canada."

"Importance of Discoveries at God's Lake, Manitoba, Indicates Another Great Gold Field in the Making."—Saturday Night.

"The recent discovery on Smelter Gold is considered to be one of the best in the field."—The Financial Times, July 21, 1933.

"Sections of the ore are said to be among the richest ever brought out of a new mining field in this country."—The Mining Journal, London, Eng.

"Manitoba Likely to Have Field That Will Compare with Ontario and Quebec."—Toronto Daily Star.

SMELTER GOLD MINES LIMITED
(No Personal Liability)
OFFICERS AND DIRECTORS

Hugh C. McRae, President
Toronto, Ont.

Chas. E. Rea, Sec.-Treas.
North Bay, Ont.

Glen. A. Rea, Assistant Sec.-Treas.
Toronto, Ont.

John Allan, Director
Cobalt, Ont.

Daniel Jarvis, Director
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Canada Permanent Bldg., Toronto

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Telephone — ELgin 6696

To SMELTER GOLD MINES LIMITED,
1104 Bank of Hamilton Bldg.,
Toronto, Canada.

Kindly forward circular, map and full information on Smelter Gold Mines Limited.

Name ....
Address ....
....

This Contract is for treasury shares. Positively no commission is paid to any one on this Contract. The Company reserves the right to reject all or any part of this order.

To SMELTER GOLD MINES LIMITED,
Head Office: 1104 Bank of Hamilton Bldg.,
Toronto.

Gentlemen:
I hereby make application for .... shares of the Capital Stock of SMELTER GOLD MINES LIMITED (5,000,000 shares) at 25 cts. per share.
Enclosed please find the sum of..........Dollars.
Dated this.........day of.............., 193....
Kindly issue and mail these shares to:
Name ....
Address ....
Witness ....
All Moneys to be paid direct to the Company.